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ABSTRACT

The Illinois State Board of Education in cooperation with the Illinois Consumer Education Association produced this lesson plan book as a resource for teachers as they implement the consumer education mandate in secondary schools. Classroom instruction ideas, techniques, and lessons were provided by teachers from Illinois. A committee of consumer education teachers selected 22 lesson plans for inclusion in this publication. The first four sections present lessons in the required components of the consumer education mandate: (1) budgeting; (2) installment purchasing; (3) comparison of prices; and (4) the role of the consumer in the economy. Learning objectives, materials needed, activities, suggested grade level, sources of information, and evaluation for each exercise are provided. The fifth section contains projects and activities that relate to various components of consumer education. Two appendices are included: a list of advisory committee members and contributing teachers and a description of the Illinois consumer education mandate. (NLA)

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Consumer Education Lesson Plans

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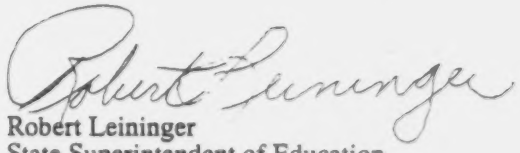
Foreword

The Illinois State Board of Education in cooperation with the Illinois Consumer Education Association produced this Lesson Plan Book as a resource for teachers as they implement the consumer education mandate.

Classroom instruction ideas, techniques and lessons were provided by teachers from throughout Illinois. A committee of consumer education teachers received the material and selected the twenty-two lesson plans for inclusion in this publication. The first four sections of this publication present lessons in the required components of the Consumer Education Mandate, Budgeting, Installment Purchasing, Comparison of Prices, and the Role of the Consumer in the Economy. A fifth and final section contains projects and activities which relate to various components of consumer education.

I would like to thank the advisory committee and Dr. Brenda Cude, Editor, for their assistance in the development of this publication.

For additional copies of this publication, please contact the Curriculum Improvement Section at 217/782-2826.



Robert Leininger
State Superintendent of Education

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BUDGETING

College Budget Exercise

My First Apartment

Meal on a Budget

Preparing a Teen Budget

College Budget Exercise

Learning Objectives:

Students will:

1. Determine typical college costs.
2. List variable living expenses they will incur while in school.
3. Prepare a budget for college expenses based on the average expenses at the student's selected college or university.

Materials:

The College Cost Book (annual editions). ACT Publications, 45 Columbus Avenue, New York, NY 10023 (212/713-8000).

Student worksheets, "College Budget Exercise Directions" and "College Budget Worksheet."

College catalogs.

Activities:

1. Discuss the importance of budgeting as a college student.
2. Prepare an overhead transparency showing the average costs of college (information in *The College Cost Book*).
3. Students complete "College Budget Exercise."

Evaluation:

Evaluation is based on:

1. Completion of the exercise.
2. Inclusion of typical expenses in the "other" category.
3. Plausible costs assigned to the typical expenses in the "other" category.
4. Staying within the average expenses indicated in *The College Cost Book.*
5. Correctly inflating expenses by 5 percent to compensate for inflation.

Suggested Length of Activity: 3 days

Suggested Grade Level: 11th and 12th grades

Submitted by:

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College Budget Exercise
Directions

1. Form a group of students (no more than four) that have the same general college or university preference for the freshman year.

2. Find the current average annual expenses for the chosen college or university in *The College Cost Book.*

3. Add an inflation factor of five percent to all categories to compensate for this year and next year.

4. Transfer expenses adjusted for inflation by general categories (i.e., tuition, supplies and books, room and board, transportation, and other) to the College Budget Worksheet.

5. Provide a breakdown of costs in the transportation category. One example of a transportation cost might be four trips home during the school year. Other examples are road trips and vacations. Costs will depend in part on the location of the school.

6. Divide the "other" category cost by 32, the number of weeks you will be away from home. Your answer will be the amount of money you will have available on a weekly basis.

7. Identify expenses you might have in the "other" category. Examples of costs include laundry, weekend food, entertainment, phone bills, etc.

8. Based on the total available on a weekly basis, assign a dollar value to each of the sub-categories in the "other" category. Note: You cannot spend more than your budget provides for.

9. Students who plan to join a social fraternity or sorority should add a total annual cost of $300 to $400 for men and $400 to $600 for women.

College Budget Worksheet

Name of College or University _____

EXPENSE CATEGORIES		**ANNUAL EXPENSES**
Tuition and fees for first year		$_____
Books and supplies		$_____
Room and board		$_____
Transportation		$_____
"Other"		$_____
	Total	$_____

TRANSPORTATION COSTS		**ANNUAL EXPENSES**
1. _____		$_____
2. _____		$_____
3. _____		$_____
	Total	$_____

"OTHER" COSTS		**WEEKLY EXPENSES**
1. _____		$_____
2. _____		$_____
3. _____		$_____
4. _____		$_____
5. _____		$_____
6. _____		$_____
7. _____		$_____
8. _____		$_____
9. _____		$_____
10. _____		$_____
	Total	$_____

My First Apartment

Learning Objectives:

Students will:

1. Identify costs of living and the costs of needs and wants.

2. Prepare a budget that includes the above costs.

Materials:

Resources to learn costs (newspapers, catalogs).

Student worksheet, "Project Directions."

Activities:

1. A drawing is held to determine the amount of money each student will be awarded for this project. Amounts range from $3,500 to $5,000 in $100 increments.

2. Students:

   - select and describe an unfurnished apartment to rent.
   - select and estimate the cost of furnishings.
   - estimate the cost of utilities.
   - list and estimate the cost of food needed for one month.
   - choose a means of transportation and estimate the cost.
   - prepare a budget for three months.
   - prepare a written report describing their decisions.

Evaluation:

The outline in the project directions is used as a checklist for grading. Projects are evaluated for thoroughness, neatness, following directions, and completion by the deadline.

Suggested Length of Activity: 4 weeks

Suggested Grade Level: 12th grade

Comments and/or Ideas for Expansion:

This project may be broken down into different assignments to allow for more teacher/student interaction. The completed assignments could be pooled together to form a project.

Suggestions for different assignments:

a. Students record food consumed for one month. With this record, students can then compile a grocery list to use as a basis for a shopping spree.

b. Students record the food and non-food items kept within the family's cupboards as a basis for a shopping spree.

c. Students draw a floor plan of their own home and its furnishings to become aware of all items needed for comfortable family living (beyond a VCR, stereo, and TV!).

d. Students go catalog shopping within the classroom to arrive at a cost to replace each item within one's home.

e. Students visit a furniture store as a field trip for assistance in comparison shopping.

f. Students list the features one would look for when apartment shopping. Then, as a field trip, they go apartment shopping, writing down the apartment's positive and negative features. They then compare the apartment's features with the ones they listed as desirable.

g. As a written assignment before this project is handed out, students should define "the ideal roommate," problems envisioned with sharing an apartment, and their solutions.

h. Each student writes a paper, "What is my economic plan for the future?" which includes short-term and long-term goals, types of employment preferred, salary realistic to position, educational requirements, etc.

Submitted by:

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Lena-Winslow High School
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My First Apartment

Project Directions

CONGRATULATIONS!!!!! YOU HAVE JUST WON $_____. YOU MUST SPEND THIS MONEY BY _____.

Here are the rules. You are to go apartment hunting, furnish the apartment, put food in the refrigerator and cupboards, and report back to me by _____. The information must be in report form. All money spent must be itemized; all money not spent must be returned to me. Only 10 percent can be put in savings, and you cannot return more than $300.

The following information must be submitted in report form to pass Consumer Economics. You are free to elaborate upon these points to fit your particular situation. Total points possible are 700. ***Failure to complete this project will result in failure of this course.***

I. Select an Unfurnished Apartment - 100 points

Location
Landlord
Type of lease (written or verbal)
  Terms: Cost, length of lease, security deposit, when paid
Type of apartment (duplex, part of complex, etc.)
Garage (If not, where can you park your car?)
Type of neighborhood (Be specific)
How near services: grocery store, hospital, clinic, fire station, library, dentist, junior college
Waterbed allowed (If not, why?)
Responsibility for maintenance (shoveling walks, mowing grass)
Why did you choose this apartment?

II. Features of the Apartment - 100 points

Drawing of apartment floor plan to include:

Size of rooms
Windows, doors, and how would place furniture
If two-story, include both floors and show location of stairs
Location of second exit door

Additional information required:

Type (carpet, tile) and color of flooring
Type (paneling, plaster) and color of walls

Description of bath (shower, tub)
Drapes included?
Location and size of closets
Appliances included (range, refrigerator, microwave) and description
Screens
Air conditioning included
Are you allowed to paint?
Hookups for washer/dryer?

III. Furnishings Needed - 100 points

Decide what furniture you will need. Shop around for this furniture. Report what you purchased, including the features of pieces chosen, the price (including tax), and where each item is purchased. Show on the floor plan the layout of your major purchases. Specify the total spent for all purchases.

In addition to a VCR, stereo, and TV, you need to also consider the following: desk, desk chair, file cabinet, typewriter, laundry baskets, bath towels, floor mat, iron, clothes hamper, wall clock, vacuum cleaner, kitchen table, china cabinet, microwave, toaster, can opener, mixer, cookware set, dinnerware set, wastebasket, sofa/sleeper, tables, lamps, kitchen supplies, shower curtain, washer/dryer, etc., etc., etc.!!!

IV. Utilities - 50 points

Which utilities (if any) are included with the rent?
Type of water heater (gas or electric)
Type of furnace (gas or electric)
Telephone - Cost of service and installation
    Buy or rent phone?
    Location of phone jacks
Cable hookup
Garbage - Location of dumpster, cost
Submit cost of water, gas, telephone, sewer, electricity, cable, garbage

V. Food and Non-Food Items - 100 points

Stock your kitchen and your cupboards. (If you have access to a freezer, you're able to stock more.) Buy enough food for a month.

Submit list of foods purchased and prices paid.
Submit list of non-food items purchased and prices paid.
Submit total spent.

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VI. Transportation to School and/or Work - 50 points

Relative location of apartment to school/work
Do you need a car? Do you have a car?
If you have a car: Cost of insurance? Cost of gas?
If you don't have a car: How will you travel to school/work? Cost of bus? Taxi? Car pool?
How do you plan to save for a car? (You can't sponge forever!)

VII. Different Arrangements to Share the Apartment - 50 points

What different arrangements would you make if you shared this apartment with one more person? Is there room? How would you share food costs, responsibilities, rent?

What types of problems can you envision with a shared arrangement? What would be the effect of different lifestyles, different food tastes, etc.? How would you handle cooking chores, dishes, weekly cleaning, grocery shopping, the "Odd Couple" syndrome, telephone time? Would you need separate shelves for groceries?

VIII. Different Arrangements If Married - 50 points

How would the arrangements be different if you were married? Can you afford the apartment? Do both need to work? What problems do you envision?
How would you handle a layoff or unemployment?

IX. Budget for Three Months - 75 points

Prepare a budget for the next three months. Money to meet these monthly budgets is NOT part of this package deal. Total the amount budgeted for each month.

Besides food, utilities, and rent, did you include:
Gas, car payment, clothes, medical care, church, personal items, gifts, recreation, insurance, savings, laundry, etc.?

X. Total Amount Spent - 25 points

Itemize total money spent; tax must be included in the total.

Do you have money to be returned? If you are short, what were you unable to purchase? How will you fill this need?

Since this money will not actually be given to you, how will you be able to get started on your own? What is your economic plan for the future?

Meal on a Budget

Learning Objectives:

Students will successfully plan, purchase, and prepare a nutritious meal without exceeding the budgeted amount for the meal.

Materials:

A menu planning guide such as *Guide to Good Eating* (1989) available from the National Dairy Council.

Student worksheets, "Guide to a Well-Balanced Menu," "Menu Planning Worksheet," and "Planning Schedule," and evaluation.

Activities:

1. Students are divided into groups or "families."

2. Students plan a nutritious breakfast, lunch, or dinner at a specific cost per person ($2.00 each, for example).

3. Students list grocery items needed to be purchased.

4. Students go to the grocery under the teacher's supervision to purchase the items on the list. (If a lab budget is not available, students may pool their own money. Or students could make hypothetical purchases and record the purchase prices.) Students should use a calculator or have someone keep track of prices as they shop. Price and product comparisons are encouraged.

5. Students prepare the menu if a kitchen is available.

Evaluation:

The menu is evaluated according to its nutritional value. The final grocery costs must be within the limits of the established budget. Points are deducted for deficiencies.

Suggested Length of Activity:

3 days (1 day to plan, 1 day to shop, 1 day to prepare the meal)

Suggested Grade Level: 9th and 10th grades

Comments and/or Ideas for Expansion:

This might be a good time to team-teach with your school's Home Economics Department or to arrange to use its kitchen facilities.

For information about nutrition education materials, contact:

In Northern Illinois - Dairy Council of Wisconsin, Inc.
999 Oakmont Plaza, Suite 510
Westmont, IL 60559
800/325-9121

In Central and Southern Illinois - St. Louis District Dairy Council
8710 Manchester Road
St. Louis, MO 63144
314-961-3100

In the Quad Cities area - Dairy Council, Inc.
1222 East 37th
Davenport, IA 52807
319/391-2384

Submitted by:

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Home Economics Department
New Berlin High School
Community Unit 16
Ellis Street
New Berlin, IL 62670

Menu Planning Worksheet

Menu:

Persons to be served:

Items to be purchased:

Food	Amount	Unit Cost	Total Cost

Where purchased:

Cost per person of meal:

Planning Schedule

Date of meal preparation:

Persons to be served:

Work out a time schedule for the preparation of your meal.

Time	Preparation Steps	Who Is Responsible?

Evaluation

Complete the following:

1. What problems did your group encounter in planning the meal? How were the problems solved?

2. What factors did the group take into consideration when planning the meal? Why?

3. What factors did you consider when you decided where to shop?

Guide to a Well-Balanced Menu

	Serving Size		Minimum Recommended Number of Servings*			Comments
			Children 1-10	Teenagers 11-18	Adults	
Milk Group	1 cup	Milk	3	4	2	* Good sources of calcium such as milk, yogurt, and cheese are recommended daily. Cottage cheese, ice cream, ice milk, and frozen yogurt have about 1/4 to 1/3 the amount of calcium per serving as milk, yogurt, and cheese.
	1 cup	Yogurt				
	1 oz	Cheese				
	1/2 cup	Cottage cheese				
	1/2 cup	Ice cream, ice milk, frozen yogurt				
Meat Group	2-3 oz.	Cooked, lean meat, fish, poultry	2	2	2	** Eggs, dried beans, and peanut butter have about 1/2 the amount of protein per serving as meat.
	1	Egg**				
	1/2 cup	Cooked, dried peas, dried beans				
	2 tbsp	Peanut butter**				
	1/4 cup	Nuts, seeds**				
Fruit-Vegetable Group	1/2 cup	Juice	4	4	4	Dark green, leafy, or orange vegetables and fruit are recommended 3 or 4 times a week for vitamin A. Good sources of vitamin C such as oranges, strawberries, tomatoes, potatoes, and green peppers are recommended daily.
	1/2 cup	Vegetable, fruit				
	1 medium	Apple, banana, orange				
	1/2	Grapefruit				
	1/4	Cantaloupe				
	1/4 cup	Dried fruit				
Grain Group	1 slice	Bread	4	4	4	Whole grain, fortified, or enriched grain products are recommended.
	1/2	English muffin, hamburger bun				
	1 oz	Ready-to-eat cereal				
	1/2 cup	Pasta, rice, grits, cooked cereal				
	1	Tortilla, roll, muffin				
Combination Foods	1 cup	Soup	These count as servings (or partial servings) from the food groups from which they are made.			Combination foods supply the same nutrients as the foods they contain.
	1 cup	Macaroni and cheese, lasagna, stew, chili, casserole				
	1/8 15"	Pizza				
	1	Sandwich, taco				
"Others" Category	1 oz.	Potato chips, pretzels	There is no recommended number of servings for foods in the "Others" category.			"Others" don't take the place of foods from the Four Food Groups in supplying nutrients, and they are often high in fat or calories.
	2	Cookies				
	1/16 9"	Layer cake				
	1 tsp	Sugar, jelly				
	12 oz	Soft drink, beer				
	1 tsp	Margarine, butter				
	1 tbsp	Salad dressing, mayonnaise				

* These servings provide the nutrients your body needs. They also supply about 1200 Calories. However, most people need more than 1200 Calories. If you do, add more servings.

From Guide to Good Eating, 1988, National Dairy Council.

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Preparing a Teen Budget

Learning Objective:

Students will prepare a budget for a "typical" teen in their community.

Materials:

Student worksheets, "Expenses for a Teen Budget" and "Teen Budget."

Activities:

Students will:

1. Record how much money they spend each week for a period of time defined by the teacher or use the expenses listed in "Expenses for a Teen Budget."

2. Determine the categories to be used in the budget.

3. Total the amounts actually spent in each category.

4. Use the above information to prepare a budget.

Evaluation:

The budgets are evaluated based on how the money is allocated in the budget. The total must be $20. Total possible points are 10; points are deducted for incomplete assignments.

Suggested Length of Activity: 2 days

Suggested Grade Level: 9th and 10th grades

Submitted by:

Kay Meeker
Business Education Department
Galesburg High School
District 205
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Teen Budget

Decide which categories you want to use for the budget. List the categories and the amount spent in each category each week. Then determine the average for each category and set up a budget. The student receives $20 each week.

EXPENSE CATEGORIES	WEEK 1	WEEK 2	WEEK 3	WEEK 4	AVERAGE	BUDGET AMOUNT

Expenses for a Teen Budget

To prepare a budget, you need to keep track of your expenditures for a period of time. You can then learn what your spending pattern is and decide how much to budget for the different categories.

Listed below are the expenses for a teenager for a four-week period. First, identify the categories you want to use in your budget. Example categories include food, entertainment, and snacks. Then decide in which category each expense goes. Total the expenses in each category spent each week. Then decide what the average for each category would be for the four weeks. Use the averages to set up a budget.

	WEEK 1		WEEK 2		WEEK 3		WEEK 4	
SAT:	Bowling	$1.40	Savings	$2.00	Savings	$1.00	Savings	$1.00
	Savings	2.00	Rent movie	1.00	Ice cream	1.60	Pizza	3.00
							Gas	2.00
SUN:	Church	1.00	Church	1.00	Rent movie	1.00	Church	1.00
	Ice cream	.50			Coke	.80		
					Hamburger	1.50		
MON:	Coke	.40	Lunch	.35	Lunch	.80	Lunch	.75
	Candy Bar	.35	Coke	.40	Folder	.30		
	Lunch	.75	Fries	.65				
	Pencil	.10						
TUES:	Lunch	1.15	Lunch	1.00	Lunch	.75	Lunch	.50
	Coke	.40	Coke	.40	Candy Bar	.40	Candy	.50
	Poster		Notebook	.50				
	(present)	2.00						
	Typing Paper	.80						
WED.	Lunch	.75	Lunch	.75	Lunch	1.00	Lunch	1.50
	Movie	2.00	T-Shirt	5.00	Haircut	5.00	Ice cream	.75
	Gas	2.00	Coke	.40				
	Pair of socks	1.25						
THURS.	Lunch	.90	Lunch	.75	Lunch	.50	Lunch	1.00
	Coke	.55			Coke	.40	Coke	.60
	Fries	.50						
	Notebook	.80						
FRI.	Lunch	.50	Lunch	1.00	Lunch	.75	Lunch	1.00
	Milk	.25	Magazine	2.50	Football game	2.00	Play	2.00
	Pencil	.10	Tape	3.00	Gas	2.00	Coke	.75
							Scarf	3.00

INSTALLMENT PURCHASING

Comparison of Lending Institutions

Financing a New Car

The Three C's of Credit: Banker for a Day

Choosing a Credit Card

Comparison of Lending Institutions

Learning Objectives:

Students will be able to discuss the lending policies of various sources of credit in the community including:

- Information requested on loan application
- Approval process
- Costs associated with a loan
- Terms and conditions of a loan
- Possible penalties

Materials:

Textbook chapter or film on lending institutions.

Student worksheets, "Questions for Lending Institutions" and "Lending Institution Group Self-Evaluation."

Activities:

1. Students read textbook chapter or view film on lending institutions and discuss.

2. Students choose or are assigned to work groups.

3. Each group is matched with a lending institution.

    - Students use phone book to find institutions.

    - If more than one class is involved in this assignment, it is important that no lending institution is matched with more than one group. It is also helpful for the teacher to contact the institutions in advance. This promotes good school-community relations.

    - Be sure all types of lending institutions are represented in the class (bank, savings & loan, credit union, consumer finance company).

4. Students determine the amount and type of loan about which they will gather information. A new car loan is most popular. Even if a consumer finance company cannot loan that much money, students present the policies of the finance company.

5. Students consult "Questions for Lending Institutions" to determine questions to ask lender. Students find this difficult and usually spend 30 to 45 minutes on this part of the assignment. Be sure all groups attempt to cover the same questions. Allow for some loan officers to go into more depth than others; some will be less cooperative. (A VITAL part of the assignment is for students to report how they were treated by the lending institution.)

6. Students make TWO contacts with the lending institution.

CONTACT #1

- Students gather pamphlets to answer as many questions as possible. (This could be done by a designated group member on a weekend.)

CONTACT #2

- The entire group meets with the loan officer. Students may meet with the loan officer at the financial institution or make an appointment to ask questions over the phone. Or the loan officer might be invited to the school to meet with students in a small group or as part of a panel of lenders.

- Encourage students to think about their appearance (dress, grooming, etc.) for an in-person meeting.

- Students explain the assignment to the loan officer (if not done earlier). The loan officer often sees this as an opportunity for some FREE PUBLICITY for his/her institution. (Usually, the reactions are positive--both from the loan officers and the students.)

- Students ask officer to answer/explain those questions that have not yet been answered by pamphlets, etc.

7. Student groups prepare findings, sharing the work so that each member is involved.

8. Student groups present oral and written presentations.

- The written report must be turned in prior to the group's oral presentation to encourage talking to the class (using notes) rather than "reading" the report.

- Written reports vary. Some students simply "answer the questions," while others prepare a report.

- Oral presentations usually are five to ten minutes. All members must speak their "fair share."

- Each group is responsible for putting the APR, finance charge, and dollar payment per month on the chalkboard (used for comparison as the groups present their findings).

9. Group members complete the panel self-evaluation form. This is sometimes VERY enlightening but is usually not used as a factor in grading. It is more important as a tool to drive home lessons learned about working with others. Students sometimes learn that it is better NOT to work with a "friend" if that "friend" is unwilling to do his/her part. A similar project is done during the buying unit; student groups decide on a product, determine how to judge quality in that product, and then compare three brands at three stores. Lessons learned in this project pay dividends in the buying panels.

Evaluation:

Students can earn up to 70 points--30 for the oral presentation and 40 for the written report.

Suggested Length of Activity: 3 weeks

Suggested Grade Level: 9th through 12th grades

Submitted by:

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Lending Institution Group Self-Evaluation

Name _____

List the names of the members of your group (including yourself). On the lines provided, give each member a rating of 0 (did nothing in this area) to 4 (did the major portion of work in this area). For the last column, OVERALL RANK, assign each member a 1, 2, 3, or 4 to indicate whether the person did the most (4) or least (1) toward making your presentation a success.

Use the space below each member's name to comment on that member's particular contribution(s) that you feel are not considered on this form.

Name	Work Done In Class	Work Done At Institution	Organizational Leadership	Preparation of Written Part	Overall Rank
_____	___	___	___	___	___
_____	___	___	___	___	___
_____	___	___	___	___	___
_____	___	___	___	___	___

Questions for Lending Institutions

To what extent (if any) do the following factors affect:

1. A person's ability to get a loan?

2. How much he/she will pay for that loan?

    * Age

    * Collateral

    * Co-signer

    * Credit Record

        * Credit bureau used
        * Type of information requested from credit bureau (if not listed here)
        * Amount of past credit use

    * Job/Occupation

        * Part-time/full-time
        * Blue-collar/white-collar
        * Level of skill/education/training
        * Length of employment
        * Attendance at work

    * Where the person lives (which part of town, apartment/house)

        * How long at present address
        * Rent/own

    * Health

    * Need to be a "member" or have an "account"

(Get a copy of an application, if possible, to see if any "surprising" questions are asked.)

Cost of Loan: Complete the table below.

Length of Loan	Minimum Down Payment Required		Number of Payments	APR	Finance Charge	$/month
	%	$		%	$	$
	%	$		%	$	$
	%	$		%	$	$
	%	$		%	$	$
	%	$		%	$	$
	%	$		%	$	$

Are any other costs involved:

* for filing application?
* for filing insurance?
* for credit search?
* for other services?

Can the loan be paid off early? Does this affect the interest paid? How?

Are there penalties for late payment? How much? Is there a grace period?

What is the "process" leading to repossession (time allowed, etc.)?

WHAT DOES THE LOAN OFFICER FEEL ARE THE MAIN REASONS WE SHOULD DO BUSINESS WITH HIS/HER LENDING INSTITUTION?

Financing a New Car

Learning Objectives:

Students will:

1. Become more aware of the expenses involved in a new car purchase.
2. Prepare a budget that includes car-related expenses.

Materials:

April edition of *Consumer Reports* (report on new model year cars).

"Annual Percentage Rate Table for Monthly Payment Plans."

Student worksheet, "Project Directions," and evaluation.

Activities:

1. Students prepare a budget to allocate income to expenses.
2. Students use the April issue of *Consumer Reports* to select a new car for purchase and estimate the cost of financing, insuring, driving, and maintaining their purchase.
3. Students write a report that describes and evaluates their decisions.

Evaluation:

Students can earn up to 100 points (see evaluation).

Suggested Length of Activity: 2-week independent project

Suggested Grade Level: 10th, 11th and 12th grades

Comments and/or Ideas for Expansion:

This project was presented in small-group sessions at the Illinois Consumer Education Association Annual Conference two years ago.

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Project Evaluation

Budget	30 points	_____
Car Selection	25 points	_____
Financing	25 points	_____
Questions	20 points	_____

Total Score _____ GRADE _____

NAME _____ PROJECT NO. _____

Project Directions

This is your quarter project and will be 20 percent of your final quarter grade. Follow all instructions carefully.

The attached Steps I, II, and III are to be completed and returned to the teacher along with these instructions. The April issue of *Consumer Reports* is also to be returned at the completion of the project. (DO NOT WRITE ON THE MAGAZINE!) Record the project number at the top of your copy of the magazine on this instruction sheet.

Answers to the questions and forms may either be neatly written or typed. Use complete sentences when answering questions.

Be sure to read all the materials given to you before starting. On _____ class time will be devoted to questions and problems you may have. Please have all your questions ready so that we may use class time effectively. If you have not read the material, you will not understand how to complete the project and your grade will reflect that.

INSTRUCTIONS:

1. Read the entire *Consumer Reports* given to you.
2. Do Steps I, II, and III in order.
3. Be sure to include all of the information requested or explain why it is not included.

Situation

You have an annual income of $12,000 (after taxes) ($1,000 a month). You also have $5,000 in a savings account at 9 percent interest and $600 in an emergency account at 6 percent interest.

It's time to buy a new car and you have looked at the new models. You live in a one-bedroom apartment and have a steady job. You now have to determine what car you can afford to buy by using the attached forms.

STEP I

GENERAL INFORMATION:

Find an ad for a one-bedroom apartment; attach it to the bottom of this form. Fill in the information requested below. The percentages in parentheses are general guidelines for the amount of income to allocate to each category.

APARTMENT RENT (monthly) (25%) $ _____

UTILITIES (if not included in the rent)

Electricity (estimate) $_____ a month

Telephone (estimate) $_____ a month

Gas (estimate) $_____ a month

Water (estimate) $_____ a month

TOTAL UTILITIES $ _____

EXPENSES

Food (12-18%) $_____ a month

Clothing (5-10%) $_____ a month

Savings (5-10%) $_____ a month

Gifts/Recreation/ Entertainment/Eating Out (8-12%) $_____ a month

Medical (5-8%) Includes insurance $_____ a month

Miscellaneous (4-9%) (cosmetics, etc.) $_____ a month

TOTAL EXPENSES $ _____

TOTAL OF ALL EXPENSES, RENT/UTILITIES: (per month) $ _____

MONTHLY INCOME MINUS EXPENSES: (amount available for use) $ _____

APARTMENT AD: (place ad in the space below)

STEP II (Round off all prices to the nearest dollar.)

CAR SELECTION

Name of car/model/style _____ Page in *Consumer Reports* _____

List price $ _____ Cost factor _____ Your cost $ _____

Options selected/price (use average price for options given)

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

_____ $_____

Total Options Price $ _____ Cost Factor _____ Your Cost $ _____

Destination Charge $ _____

Total Car and Options Prices and Charges $ _____

Tax @ 7% $ _____

TOTAL COST OF CAR (round off to nearest dollar) $ _____

FINANCING

Amount of cash down payment (10-20%) ____% $ _____

Total amount to finance $ _____

Annual percentage rate (APR) (Look in newspaper for car finance ad; attach on next page) $ _____

Length of financing (in months) $ _____

Total amount of interest paid $ _____

Monthly payments $ _____

Actual amount paid for car (down payment + interest + amount financed) $ _____

CAR EXPENSES

Estimate how much you will need monthly for each of the following car expenses:

(a) Insurance

Average rates for six months coverage for various types and sizes of vehicles:

Small	$405	Sporty	$495
Compact	420	Medium	430
Large	465	Small Van	449

$ _____

(b) Gas (estimate) based on $1/gallon $ _____

(c) Maintenance (oil change, tire rotation, wash, etc.) $ _____

TOTAL CAR EXPENSES monthly $ _____

yearly $ _____

What will be the total amount (including payments) you will have to spend on your car?

monthly $ _____

yearly $ _____

How much money will you have left each month after all expenses are paid?

$ _____

Attach car loan ad here.

STEP III

QUESTIONS:

Answer the questions below. Be sure to think through your answers before putting them down.

1. Explain why you finally decided on the car you chose. (Be specific)

2. List each option you chose and tell why you chose it. (Be specific)

3. Where did you get the money for the down payment on your car?

4. How much money did you finally need? $_____

5. What percentage of your savings did you use? _____%

6. What steps does Consumer's Union recommend you follow when car shopping?

7. Approximately how many items does Consumer's Union check when testing cars? ____

Annual Percentage Rate Table for Monthly Payment Plans

Number of Payments	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%	15.00%	15.50%	16.00%	16.50%	17.00%	17.50%	18.00%
	(FINANCE CHARGE FOR $100 OF AMOUNT FINANCED)																
1	0.83	0.87	0.92	0.96	1.00	1.04	1.08	1.12	1.17	1.21	1.25	1.29	1.33	1.37	1.42	1.46	1.50
2	1.25	1.31	1.38	1.44	1.50	1.57	1.63	1.69	1.75	1.82	1.88	1.94	2.00	2.07	2.13	2.19	2.26
3	1.67	1.76	1.84	1.92	2.01	2.09	2.17	2.26	2.34	2.43	2.51	2.59	2.68	2.76	2.85	2.93	3.01
4	2.09	2.20	2.30	2.41	2.51	2.62	2.72	2.83	2.93	3.04	3.14	3.25	3.36	3.46	3.57	3.67	3.78
5	2.51	2.64	2.77	2.89	3.02	3.15	3.27	3.40	3.53	3.65	3.78	3.91	4.04	4.16	4.29	4.42	4.54
6	2.94	3.08	3.23	3.38	3.53	3.68	3.83	3.97	4.12	4.27	4.42	4.57	4.72	4.87	5.02	5.17	5.32
7	3.36	3.53	3.70	3.87	4.04	4.21	4.38	4.55	4.72	4.89	5.06	5.23	5.40	5.58	5.75	5.92	6.09
8	3.79	3.98	4.17	4.36	4.55	4.74	4.94	5.13	5.32	5.51	5.71	5.90	6.09	6.29	6.48	6.67	6.87
9	4.21	4.43	4.64	4.85	5.07	5.28	5.49	5.71	5.92	6.14	6.35	6.57	6.78	7.00	7.22	7.43	7.65
10	4.64	4.88	5.11	5.35	5.58	5.82	6.05	6.29	6.53	6.77	7.00	7.24	7.48	7.72	7.96	8.19	8.43
11	5.07	5.33	5.58	5.84	6.10	6.36	6.62	6.88	7.14	7.40	7.66	7.92	8.18	8.44	8.70	8.96	9.22
12	5.50	5.78	6.06	6.34	6.62	6.90	7.18	7.46	7.74	8.03	8.31	8.59	8.88	9.16	9.45	9.73	10.02
18	8.10	8.52	8.93	9.35	9.77	10.19	10.61	11.03	11.45	11.87	12.29	12.72	13.14	13.57	13.99	14.42	14.85
24	10.75	11.30	11.86	12.42	12.98	13.54	14.10	14.66	15.23	15.80	16.37	16.94	17.51	18.09	18.66	19.24	19.82
30	13.43	14.13	14.83	15.54	16.24	16.95	17.66	18.38	19.10	19.81	20.54	21.26	21.99	22.72	23.45	24.18	24.92
36	16.16	17.01	17.86	18.71	19.57	20.43	21.30	22.17	23.04	23.92	24.80	25.68	26.57	27.46	28.35	29.25	30.15
42	18.93	19.93	20.93	21.94	22.96	23.98	25.00	26.03	27.06	28.10	29.15	30.19	31.25	32.31	33.37	34.44	35.51
48	21.74	22.90	24.06	25.23	26.40	27.58	28.77	29.97	31.17	32.37	33.59	34.81	36.03	37.27	38.50	39.75	41.00
54	24.59	25.91	27.23	28.56	29.91	31.25	32.61	33.98	35.35	36.73	38.12	39.52	40.92	42.33	43.75	45.18	46.62
60	27.48	28.96	30.45	31.96	33.47	34.99	36.52	38.06	39.61	41.17	42.74	44.32	45.91	47.51	49.12	50.73	52.36
66	30.41	32.06	33.73	35.40	37.09	38.78	40.49	42.21	43.95	45.69	47.45	49.22	51.00	52.79	54.59	56.40	58.23
72	33.39	35.21	37.05	38.90	40.76	42.64	44.53	46.44	48.36	50.30	52.24	54.21	56.18	58.17	60.17	62.19	64.22

Example:

Amount financed: $5,000
APR: 13.5%
Term: 48 months

Total interest paid: $1,498.50 (50 x 29.97)
Monthly payments: $135.38

$$\frac{(\$5{,}000 + \$1{,}498.50)}{48}$$

The Three C's of Credit: Banker for a Day

Learning Objective:

Students will develop an understanding and appreciation of factors which affect an individual's credit worthiness as well as some factors which cannot be used to assess credit worthiness.

Materials:

Student worksheet, "Descriptions of Four Loan Candidates."

Props or costumes for role play.

Video on credit.

Activities:

1. Students discuss credit use, credit worthiness, installment loans, and the Equal Credit Opportunity Act. Students may read a textbook chapter or view a video.

2. Four students volunteer to play the parts of individuals applying for a loan in a role play. Provide students with background information ("Description of Four Loan Candidates") about the characters they will portray and suggest appropriate props and/or clothing for the role play.

3. The other students in the class will play the role of the banker. They will decide which candidate receives the loan. Remind students that every loan represents a potential loss to the bank so their decision is important. For simplification, assume only one candidate will receive a loan and that each candidate is applying for the same loan (for example, a snowmobile in the fall or winter, a boat during the summer).

4. On the day of the role play:

    a. The four loan candidates introduce themselves, giving their names, ages, and marital status.

    b. Students vote (by a show of hands) on which candidate should receive the loan after hearing the introductions and explain their reasons for their choice. The teacher should note that Les and Ken cannot be denied credit because of their ages and Joan cannot be denied credit because of her marital status.

c. Ask students what additional information they would need to make a decision and then ask the loan candidates to reveal that information. For example, some students may want to know the candidates' incomes. If so, all candidates should disclose that information. After the information is revealed, again ask students to vote (by a show of hands) on which candidate should receive the loan and explain their reasons. The teacher should note any applicable credit rights (for example, a creditor cannot refuse to consider Joan's alimony as income).

d. Use the above process (students indicate what information they need, candidates reveal that information, students vote and explain reasons, teacher discusses applicable credit rights) to disclose all pertinent information. After all information is known, ask students again to vote. Discuss whether their final vote was different from their original vote and why. Note that credit decisions are based on not one or two pieces of information but on the overall picture.

5. Ask students to identify characteristics important to creditworthiness and list them on the board. Then help students to group the characteristics into three categories using the three C's of credit. Write the words "Capacity," "Capital" (or "Collateral"), and "Character" on the blackboard as you group the characteristics.

Evaluation:

Students explain, in writing, which candidate they considered most creditworthy and why.

Suggested Length of Activity: One class period

Suggested Grade Level: 10th grade

Ideas for Expansion:

Introduce a credit scoring system and have students score the loan applicants.

Comment:

Teachers may want to create some of their own characters for the role play.

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Descriptions of Four Loan Candidates

Bob Johnson

Age: 45 years old
Marital Status: Married
Occupation: Farmer
Net Income Last Year: $20,000
Major Expenses: Payments on tractor - $3,500
Payments on other loans - $3,000
Living expenses
Assets: Tractor - $42,000
Other equipment - $35,000
Automobiles - $10,000
Liabilities: Loan on tractor - $25,000
Others - $35,000
Personal: Active in community
Slow in paying debts

Les Meyer

Age: 70 years old
Marital Status: Widowed
Occupation: Retired
Income Last Year: $9,000
Major Expenses: Living expenses
Assets: House - $100,000
Certificate of deposit - $20,000
Stocks - $20,000
Liabilities: None
Personal: Same job for 45 years
Same house for 40 years
Always repaid debts promptly

Joan Smith

Age: 32 years old
Marital Status: Divorced
Occupation: Executive secretary
Income Last Year: $25,000 from job, $7,000 in alimony
Major Expenses: Rent on condo - $700 per month
Car payment - $550 per month
Credit card payments
Living expenses
Assets: Jaguar XKE (2 years old) - $30,000
Wardrobe/Jewelry - $25,000
Liabilities: Auto loan - $25,000
Credit cards - $10,000
Personal: Occasionally skips credit card payments
Frequent trips to Las Vegas, etc.

Ken Jackson

Age: 23 years old
Marital Status: Single
Occupation: Auto mechanic
Income Last Year: $30,000
Major Expenses: Rent on apartment - $450 per month
Car payment - $225 per month
Living expenses
Assets: '74 Corvette - $12,000
Stereo equipment - $2,000
Savings - $1,000
Liabilities: Auto loan - $9,000
Personal: Third job in past four years

Choosing a Credit Card

Learning Objectives:

Students will:

1. Become familiar with various credit card terms, conditions, and features.

2. Develop an awareness of the various costs of credit cards, analyze and evaluate those costs, and make a decision as to which card is best for various individuals.

Materials:

Handout, "Glossary of Credit Card Terms."

Handout, "Comparison of Four Credit Cards."

Handout, "Computing Finance Charges."

Student worksheet, "Profiles of Four Credit Card Users."

Student worksheet, "Analysis of Credit Card Agreement."

Teacher resource, "Potential Outline for a Unit on Choosing a Credit Card."

Activities:

1. Students discuss types of credit cards, factors to consider when choosing a credit card, information available to make comparisons, and credit card terms (see "Glossary of Credit Card Terms").

2. Students work in small groups (three or four) to analyze the terms of four credit card agreements ("Comparison of Four Credit Cards"). Students read "Profiles of Four Credit Card Users." As a group, students discuss which credit card would best fit the needs of each applicant described.

3. Students return to their seats and individually write a paragraph for each applicant explaining which credit card they chose and why. Students should include information about finance charges, annual fees, the grace period, and other features or costs that are relevant.

4. Students obtain a copy of a revolving credit plan agreement from one of their parents, a local bank or retail store, or the teacher. Students use "Analysis of Credit Card Agreement" to analyze important information about the rates, costs, and features of the credit card. Students share highlights with the class one week from the date the assignment was made and hand in the completed analysis.

Evaluation:

Students are evaluated based on their selection of a credit card for each of the four individuals profiled and their analysis of the credit card agreement.

Suggested Length of Activity: Two class periods

Suggested Grade Level: 10th through 12th grades

Ideas for Expansion or Extra Credit Include:

1. Students call the toll-free number of the Illinois Commission of Banks and Trusts and request the comparison of terms of credit cards available in Illinois.

2. Students analyze how their parents use their credit cards (the most important features, costs, etc.).

3. Students select the credit card that would be best for their families' needs and write a brief report explaining their choice.

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Potential Outline for a Unit on Choosing a Credit Card

Consumers often do not comparison shop for credit cards. In order to make informed decisions, consumers need to be knowledgeable about credit card terms, conditions, and features before they choose. The following outline would provide background on credit cards and the various features offered today. (Have students refer to the glossary for definitions.)

I. Types of Credit Cards
   - A. Single purpose
   - B. Multipurpose/Bank Cards
     1. Many believe terms of all bank cards are the same
     2. Terms are set by and vary with each issuing bank
   - C. Travel and entertainment cards

II. Factors to Consider When Choosing a Credit Card
   - A. The three most important factors to consider
     1. Annual fee
     2. Grace period
     3. Finance charges
        - a. Annual Percentage Rate
          - (1) Fixed rate
          - (2) Variable rate
        - b. Methods of computing balance
          - (1) Adjusted Balance (most favorable to consumer)
          - (2) Previous Balance/Beginning Balance (least favorable to consumer)
          - (3) Average Daily Balance (most common method)
        - c. Comparison of finance charges using three methods of computing balance
   - B. Other cost factors and features to consider
     1. Late fees
     2. Over-the-credit limit fees
     3. Cash advance fees
        - a. May charge both a transaction fee and interest
        - b. Transaction fee (percent of amount borrowed)
        - c. Interest (usually from date of transaction)
     4. Collision Damage Waiver (CDW) for rental car
        - a. Credit card provides CDW, which costs $10 or more per day
        - b. CDW may not be needed if covered by auto insurance
     5. Travel discounts
     6. Rebates (discuss merit when rebates are typically not significant amounts - "up to 1 percent if charges are over $3,000")
     7. Purchase protection
     8. Extended warranty

C. Points to consider
   1. Proliferation of credit cards means more competition.
      a. Sometimes means better benefits and rates .
      b. Sometimes means gimmicks that may not be important.
   2. If pay credit card balance in full each month (as 30 to 40 percent of consumers do) or keep a low balance, shop for lowest annual fee.
   3. If keep a high balance ($1,000 or more), APR and grace period will be more important.
   4. Some features, such as CDW, may justify higher annual fee if used frequently.

III. Fair Credit and Charge Card Disclosure Act of 1988
   A. Before legislation, issuers of credit cards not required to disclose terms until after consumers signed up for card
   B. Law requires credit card issuers soliciting through the mail, phones or in magazines to disclose rates and other cost information in a uniform manner including
      1. APR (and if rate is variable)
      2. Annual fees
      3. Grace periods
      4. Introductory rates and fees
      5. Minimum finance charges
      6. Fees for
         a. Ordinary transactions
         b. Late payments
         c. Exceeding credit limit
      7. Method of computing balance on which interest rate is applied to determine finance charges
   C. Not required to disclose rates and cost information if:
      1. Consumer requests information
      2. Is a line of credit or home equity

IV. Illinois Comparative Information
   A. Credit information service provided by the Illinois Commission of Banks and Trusts
   B. Discloses rates and other cost information on all credit cards issued in Illinois
   C. For free listing of this information, call toll-free number (800/634-5452)

Glossary of Credit Card Terms

Adjusted balance method - Balance is determined after deducting any payments or credits that occurred during the billing period. Least expensive manner of determining the finance charge and most beneficial to the consumer.

Annual fees - Yearly charge for use and services of credit card. Can range from $15 to $75 or more per card. Some cards have no annual fees.

Annual Percentage Rate (APR) - Percentage interest rate charged on money borrowed or outstanding balances. All credit issuers must disclose the interest rate as an annual percentage rate.

Average daily balance method - The outstanding balance each day of the month is added together and the sum divided by the number of days in the month to determine the average daily balance. Most common method of calculating the balance.

Cash advance - A quick, convenient and usually expensive method of obtaining a loan through a credit card. The loan may be obtained by writing a check provided by the credit-card issuer or by using an automated teller machine (ATM).

Collision Damage Waiver (CDW) - Rental car collision insurance which reimburses the credit card holder for any collision damage to a rental car which is not covered by the customer's own automobile insurance. Some credit cards now offer this feature free as an added incentive to choose their card. If this insurance is purchased through a car rental agency, it may cost $10 a day or more.

Credit limit - The maximum balance the credit card holder may charge on his/her credit card. Limit is established by the credit-card issuer and is based on the credit rating of the customer.

Extended warranty - A feature offered by some credit cards which extends (usually doubles) a manufacturer's warranty on purchases made with that credit card.

Finance charge - The amount of interest you must pay on outstanding credit card balances (cost of credit).

Grace period - Time period between the end of the billing cycle and the date you must pay bill in full to avoid a finance charge--usually 25 days. If there is no grace period, customer may have to pay finance charges from the date of purchase or date posted to account.

Late fee - A penalty assessed on amount past due. Can be a percentage (i.e., 5 percent) or a combination of a flat fee plus a percentage (i.e., $20 plus 5 percent).

Multipurpose cards (Bank cards) - Credit cards which are accepted at many retail stores, restaurants and hotels. (Examples are Mastercard and Visa.) Can be offered by banks, credit unions or other financial institutions. Are usually revolving charge accounts.

Over-the-credit limit fee - Penalty assessed when credit card holder exceeds his/her credit limit. (May be $10 to $15 each month limit is exceeded.)

Previous balance (Beginning balance) - Interest is calculated on the entire balance owed at the beginning of the month. Any payments made during the month are not deducted. Most expensive method of determining the finance charge and least desirable for the consumer.

Purchasing protection - A feature offered with some credit cards through which purchases are protected against theft, fire, damage, or other loss for a period of time (usually 90 days from purchase).

Rebates - A refund of cash or discounts toward merchandise available through a catalog issued by credit card company. The most well-known cash rebate pays the credit card holder a check for cash at the end of the year. The amount paid is based on the total purchases made during the year.

Revolving charge account - A type of credit account in which the consumer may make a partial payment and carry the balance forward to the next bill. When this option is exercised, there is a finance charge on the unpaid amount. The consumer may make additional purchases as long as the total does not exceed the credit limit. Single-purpose and multipurpose cards are usually revolving accounts.

Single-purpose card - A credit card which is accepted only by a specific retail chain or oil company. (Examples are Sears and Texaco.) Are often revolving charge accounts.

Travel & entertainment card - Accepted at many restaurants, hotels, airlines and some retailers. (Examples are American Express and Diners Club.) Balance is due in full each month (regular charge).

Travel discounts - Incentive offered with some credit cards where consumer receives a discount on hotels and common airline carriers. A typical hotel discount is about 10 percent while an airline discount may be 5 percent. The consumer must usually apply for this discount.

Variable rate - Annual percentage rate (APR) may be adjusted quarterly or annually. The variable rate is usually tied to an index based on average interest rates of certificates of deposit, Treasury bills, or the prime rate. The variable rate is then determined by adding 2 percent to 6 percent.

Comparison of Four Credit Cards

COUNTY MASTERCARD

Annual fee: None

Finance charges:
APR = 19.8% (1.65%/month)
Calculated on Average Daily Balance

Grace Period:
Purchases - 25 days
Cash Advances - None

Other fees/penalties:
Acceleration clause - if not paid by due date, entire balance may be declared due and payable immediately

Features:
$100,000 travel accident insurance

DISCOVER

Annual fee: None

Finance charges:
APR = 19.8% (1.65%/month)
Calculated on Average Daily Balance

Grace Period:
Purchases - 30 days
Cash Advances - None

Other fees/penalties:
Late fee - $5
Transaction fee - Cash advance

Features:
Cash back - up to 1% on annual purchases over $3,000
Travel breakdown assistance

BIG CITY BANK VISA

Annual fee: $25

Finance charges:
APR = 15.9% (1.325%/month) or 6.5% above average interest rate for 90-day CD not to exceed 24%
Calculated on Average Daily Balance

Grace Period:
Purchases - 25 days
Cash Advances - 25 days

Other fees/penalties:
Late charge - $10
Over-the-limit charge - $10
Transaction charge - ATM

Features:
$500,000 travel accident insurance
Collision damage waiver
Extended warranty
Purchase protection
10% discount on hotels/motels
5% discount on air, rail and car rental

AMERICAN EXPRESS (Green card)

Annual fee: $55

Finance charges:
Balance must be paid in full

Grace period:
30 days

Other fees/penalties:
Delinquent charge - $10 (2 1/2%)

Features:
$100,000 travel accident insurance
Collision damage waiver
Extended warranty
Purchase protection
Baggage insurance

Profiles of Four Credit Card Users

After reviewing the information about the four credit card users below, select the credit card from "Comparison of Four Credit Cards" which is best for each person. You may select the same credit card for one or more users. To assist you in decision making, use the charts to summarize the advantages/disadvantages of each card for that individual. If a card has an advantage for that person, place a "+" in the section of the chart. If that feature/cost is a negative, place a "-" in that section. If it has no effect, place a "0" on the chart. (You may also want to note some brief comments on the chart.)

LINDA COLE:

- Businesswoman
- Card used for business purposes only (Useful in keeping expense information)
- Frequently entertains clients at exclusive restaurants
- Travels frequently
  - Average expenses $2,200/mo. (sometimes $5,000-$6,000/mo.)
  - Expenses reimbursed each month by employer
  - Pays account in full each month

Credit Card	Annual Fee	Finance Charge	Grace	Fees	Features
County MC					
Big City Visa					
Discover					
American Ex.					

Credit card chosen: _____

ALEX & MARIANNE YOUNGBLOOD:

- Young couple
- No travel
- Cash advances needed
- Furnishing new home
- Will purchase $8,000 in furnishings
- Expect to pay only minimum payment for 2 years

Credit Card	Annual Fee	Finance Charge	Grace	Fees	Features
County MC					
Big City Visa					
Discover					
American Ex.					

Credit card chosen: _____

BOB & JENNY SMITH:
- Middle-aged couple
- Occasional travel
- Average charges $500/month
- Pay in full each month

Credit Card	Annual Fee	Finance Charge	Grace	Fees	Features
County MC					
Big City Visa					
Discover					
American Ex.					

Credit card chosen: _____

BUD & ELEANOR FRAKES:
- Retired
- Seldom use credit card
- Balance always paid in full each month

Credit Card	Annual Fee	Finance Charge	Grace	Fees	Features
County MC					
Big City Visa					
Discover					
American Ex.					

Credit card chosen: _____

Analysis of Credit Card Agreement

NAME OF CREDIT CARD:

BANK OR FINANCIAL INSTITUTION OFFERING:

ANNUAL FEE:

FINANCE CHARGES:

- Annual Percentage Rate (APR)

  Fixed or variable?

  If variable, what index is used? How often is it adjusted?

- Method of Determining Balance (Average Daily Balance, Previous Balance/Beginning Balance, Adjusted Balance, or other)

GRACE PERIOD:

- For Purchases
- For Cash Advances

FEES FOR:

- Late Payment
- Over-the-Credit Limit
- Cash Advances

SPECIAL FEATURES:

- Collision Damage Waiver (CDW)
- Travel Discounts
- Rebates
- Purchase Protection
- Extended Warranty
- Other

Computing Finance Charges

Beginning balance: $1,000
Payments: $800 made on the 15th of the month
APR: 18% (1.5% monthly)

Adjusted Balance Method

Balance: $200 ($1,000 - $800)
Finance Charges: $3 ($200 x .015)

Previous Balance Method

Balance: $1,000
Finance Charges: $15 ($1,000 x .015)

Adjusted Daily Balance Method

Balance: $600 ($1,000 for 15 days and $200 for 15 days)
Finance Charges: $9 ($600 x .015)

COMPARISON OF PRICES

Comparison Shopping: The Consumer's Right to Choose

Comparing Food Costs and Quality

Product Comparison Research Project

Apartment Selection

Comparison Shopping Project

Comparison Shopping: The Consumer's Right to Choose

Learning Objectives:

Students will learn:

1. Different types of shopping facilities available in the marketplace.

2. Criteria used to evaluate the suitability of each type of facility for the purchase of different types of consumer products.

Materials:

Student worksheets #1 ("Group Report"), #2 ("Student Reports"), and #3 ("Comparison of Shopping Facilities").

Activities:

Day 1 - Assign different types of shopping facilities to student groups. Student groups will use classroom/library resources to complete Worksheet #1. Groups will also plan visits to local shopping facilities to collect information.

Day 2 - Individuals in each group share information to prepare a group report. Group reports begin. Class members use Worksheet #2 to take notes during the group reports.

Days 3 and 4 - Panel (group) presentations continue.

Day 5 - Students complete Worksheet #3.

Evaluation:

Grades are assigned based on completion of worksheet and participation in group reports.

Suggested Length of Activity: 4 or 5 days

Suggested Grade Level: 10th, 11th, and 12th grades

Comments and/or Ideas for Expansion:

Day 1 is a partial period preferably on a Friday so that students will have a weekend to gather information.

Submitted by:

Ellen Stern
Home Economics Department
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District #202
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Evanston, IL 60204

Worksheet #1
Group Report

Name _____
Period _____ Date _____
Unit: Consumer Rights

Shopping Facility #1 _____ Possible Points: 20

Shopping Facility #2 _____

Directions:

With the other members of your group, define (or describe) the two types of shopping facilities assigned to your group. Identify a specific example of each type of facility in our local area. Then list all the ADVANTAGES and DISADVANTAGES of buying consumer products at each shopping facility. (Use the back of the sheet for the second facility.)

Definition and local example:

ADVANTAGES

DISADVANTAGES

Worksheet #2
Student Reports

Name _____
Period _____ Date _____
Unit: Consumer Rights
Possible Points: 20

Directions: Complete worksheet using information from panel presentations.

Types of Shopping Facilities:

Definitions and Examples	Advantages	Disadvantages
1. Department Stores		
2. Specialty Stores		
3. Discount Stores		
4. Catalog Showrooms		
5. Factory Outlets		
6. Cooperatives		

Types of Shopping Facilities: Definitions and Examples	Advantages	Disadvantages
7. Mail Order		
8. Door-to-Door Sales		
9. In-Home Parties		
10. Vending Machines		
11. Auctions		
12. Second-Hand Stores		
13. Garage or Rummage Sales		
14. Want Ads		

Types of Shopping Facilities: Definitions and Examples	Advantages	Disadvantages
15. Pawn Shops		
16. Warehouse Stores		
17. Friends and Relatives		
18. Convenience Stores		
19. Variety Stores		
20. Computer Stores		
21. Home Shopping Networks		

Worksheet #3
Comparison of Shopping Facilities

Name _____
Period _____ Date _____
Unit: Consumer Rights
Possible Points: 30

Directions: For each of the consumer products listed below, identify the type of shopping facility where you would choose to make the purchase. List four (4) reasons for your choice.

1. Toothpaste for the family bathroom

   Type of Facility Reasons 1.
   2.
   3.
   4.

2. Athletic running shoes for the cross-country team

   Type of Facility Reasons 1.
   2.
   3.
   4.

3. Wall-to-wall carpeting for the living room

   Type of Facility Reasons 1.
   2.
   3.
   4.

4. Clock radio for the bedroom

   Type of Facility Reasons 1.
   2.
   3.
   4.

5. Sofa for the basement family room

   Type of Facility Reasons 1.
   2.
   3.
   4.

Comparing Food Costs and Quality

Learning Objectives:

Students will be able to:

1. Compute unit prices.
2. Realize savings by comparison shopping.
3. Judge food by its taste, not by its brand.

Materials:

Day 1 - Filmstrip, "Food Dollars and Sense" available from Money Management Institute, Household Finance Corporation, 2700 Sanders Road, Prospect Heights, Illinois 60070.

Day 2 - Worksheet, "Consumer Education Taste Test."

Items for taste test including:

Three different food items, each available as a nationally advertised brand, a store brand, and a generic. (Suggested items include brownies, soft drinks, peanut butter, cake, bread, cereal, and potato chips.)

Napkins labeled A, B, and C for each food item.

Cups labeled A, B, and C for each liquid item tested.

Price and size of each item purchased.

Serving tray.

Concealed serving area.

Blackboard for voting results.

Activities:

Day 1 - View filmstrip and discuss. You may also use the additional worksheets that are available with the filmstrip kit.

Day 2 - 1. Students are given a sample of each product to taste. Their taste preferences are recorded by vote.

2. Each student completes the unit pricing worksheet for each product. Taste test winners are then announced.

3. Discuss results, comparing prices to the results of the taste tests; discuss quality versus price.

Optional Additional Activity:

Students may research unit price information for products not taste tested that are available in generic, store brand, and national brand forms. The information can be transferred to poster board for display. The activity can be completed outside of class if class time is scarce. The school librarian or fellow teachers may be willing to supply outdated magazines from which students can take pictures to decorate their posters.

Evaluation:

This is a fun activity that you may choose not to grade. If you choose to grade students, several possibilities follow. Give bonus or participation points to groups for bringing the food items. (Stress the importance of the groups actually bringing the items on the day of the activity.) Grade participation and cooperation in the taste test. After students complete the "Consumer Education Taste Test" worksheet, give a quiz that requires students to compute unit prices.

Suggested Length of Activity:

Two days (may be extended with the use of additional activities suggested in the filmstrip kit and/or through an optional poster assignment)

Suggested Grade Level: 11th and 12th grades

Submitted by:

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Brenda Ford
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Consumer Education Taste Test

POTATO CHIPS - Mark your selection A ____ B ____ C ____

Brand	Size	Regular Price	Sale Price	Unit Price Per Oz.
Kas Twin Pack	7 oz.	$1.49	$.99	_____
Store Brand	8 oz.	.99	---	_____
Bulk Potato Chips	16 oz.	1.49	---	_____

BROWNIES - Mark your selection A ____ B ____ C ____

Brand	Size	Regular Price	Sale Price	Unit Price Per Oz.
Pillsbury Deluxe Fudge Mix	21 1/2 oz.	$1.69	$1.29	_____
Store Brand Brownie Mix	21 1/2 oz.	1.29	---	_____
Price Saver Brownie Mix	16 oz. each (2 = 32 oz.)	.79 each (2 = $1.58)	---	_____

COLA - Mark your selection A ____ B ____ C ____

Brand	Size	Regular Price	Sale Price	Unit Price Per Oz.
Coca-Cola	2 liter, 67.6 fl. oz.	$1.19	---	_____
Store Brand	2 liter, 67.6 fl. oz.	.99	$.77	_____
Wess Cola	2 liter, 67.6 fl. oz.	.69	---	_____

Product Comparison Research Project

Learning Objective:

Students will be able to use *Consumer Reports* to do preliminary research before going to stores to shop.

Materials:

Consumer Reports, student worksheet "Product Comparison Research Project," and evaluation.

Activities:

1. Students select a small appliance to research.

2. Students use the appropriate *Consumer Reports* article to answer the questions on the student worksheet. Students then select a brand to purchase.

3. Students visit three stores and compare prices and store policies. Students then select the store where they would make their purchase.

4. Students assume that a problem occurs after they purchased the item and write a complaint letter.

Evaluation: Students can earn 60 points (see evaluation).

Suggested Length of Activity:

1 week including 1 day of library work to begin the project; remainder of work is done outside of class

Suggested Grade Level: 11th and 12th grades

Submitted by:

Sharon Larson
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Crystal Lake Central High School
District 155
45 W. Franklin
Crystal Lake, IL 60014

Product Comparison Research Project
(60 Points)

GOAL: To become familiar with various sources of consumer information available at libraries and to put them to use.

DIRECTIONS: You are to answer the following questions about your product/appliance by finding unbiased information from reliable sources. This will mean more than just answering the questions. You must give necessary background information. You are not to ask salespeople or to read sales literature. All or some of your research must be done in the library.

Your answers to the questions should be in writing (blue or black pen) with correct spelling and grammar and complete sentences. Be as specific as possible. Your answers and the entire project (with the exception of the complaint letter) will be in report form. Be sure to list the source(s) you used for this project.

INTRODUCTION (6 points):

Complete this section BEFORE you do your research.

1. What product/appliance did you choose and why?

2. What features are important to you in this product and why?

QUESTIONS (35 points):

Answer each question in a paragraph.

1. What features are common to all of the products surveyed?

2. What features were considered most important when purchasing this product? Why?

3. Which brand(s) and model(s) is/are rated the best? Why are they superior to the others?

4. What is the price range for each of the quality groups (Best, Good or Middle, Worst or Lowest)?

5. From the research you did, which brand/model would you choose to purchase? Give sound reasons for your choice. Do not base your choice only on price. Do not just choose the one the research said was the best. Consider all that you have read and your requirements.

6. Shop for the product at three stores. (You may use catalogs and advertisements.) Compare price, service, reputation of the store, delivery policy, and availability of credit. Decide where you would buy the product. Give reason(s) for your decision.

7. Read the warranty. Give the good and bad points about the warranty. Be sure to include information about how long the warranty covers the product, who must pay for parts and labor, and where the item must be repaired.

SITUATION (12 points):

You purchased this item and something went wrong. You took it back to the store but they wouldn't give you a refund or an exchange. You must now write a complaint letter. In the letter, be sure to give the date you purchased the item as well as the date you went back to the store and the name of the person you talked to about the problem. Also mention in the letter that you are enclosing copies of the appropriate data, such as sales slip, warranty, etc. (You do not have to simulate the sales slip or other documents.)

Name _____

Project Evaluation

		Points Possible	Points Earned	Total
A.	INTRODUCTION (6 points)			
	Product you picked	2	_____	
	Why you picked this product	2	_____	
	What features you would look for	2	_____	
				_____
B.	QUESTIONS -- Comparing Brands (35 points)			
	Common features	4	_____	
	Ratings of features	4	_____	
	Ratings of brands	4	_____	
	Price range	4	_____	
	Choice	5	_____	
	Store visits	7	_____	
	Warranty	7	_____	
				_____
C.	COMPLAINT LETTER	12		_____
D.	OTHER (7 points)			
	Neatness/Spelling/Grammar	5	_____	
	References	2	_____	
				_____
	TOTAL POINTS (Possible 60)			_____

Apartment Selection

Learning Objectives:

Students will:

1. Examine the costs of living in an apartment.
2. Identify and select an apartment and furnishings appropriate to their needs and income.

Materials:

- Housing chapter from textbook.
- Classified ad section from newspaper.
- Apartment lease (obtain samples from local landlords or stationery store).
- Videotape, (VHS), "Make the Right Move (The Apartment Rental Game)," (1988), available from Cambridge Career Products, P.O. Box 2153, Charleston, W.V. 25328-2153 (800/468-4227).
- Discussion guide for videotape.
- Student worksheet, "Finding an Apartment."
- Graph paper.
- Apartment floor plan.
- Furniture templates.

Activities:

Day 1 - 1. Read and discuss textbook chapter on housing.

2. Identify and list five needs and five wants to consider when selecting an apartment.

3. List things to avoid when apartment shopping.

4. In the classified ad section of a local newspaper, find five three-room apartments for rent. Cut out and attach the ads to notebook paper. For each ad:

   a. Identify all abbreviations.

   b. Tell what information each ad provides.

   c. List three additional points to consider before pursuing the ad further.

   d. Find the average cost of apartments in the local area.

5. Discuss rules of thumb to use to decide if an apartment is affordable (i.e., one month's rent equals one week's take-home pay; one month's rent equals one-third of the month's income) and other expenses involved in renting an apartment.

6. Discuss ways to find an apartment.

Day 2 - 1. View "Make the Right Move" and answer the questions on the discussion guide.

2. Discuss the importance of an apartment condition report to be signed by both the prospective landlord and the tenant.

3. Discuss the points to consider before renting an apartment (see "Finding an Apartment" worksheet).

Day 3 - 1. Answer questions about a sample apartment lease and discuss the terms of the lease.

2. Begin work on "Finding an Apartment" worksheet.

Day 4 - 1. Complete "Finding an Apartment" worksheet.

2. Reproduce a simple three-room apartment floor plan to scale on graph paper.

Day 5 - 1. Plan an apartment checklist of the necessary furniture for each of the three rooms.

2. Price all furniture pieces, using catalogs. The total cost must be below $1,000!

3. Explain how you could cut costs by one-half.

Day 6 - 1. Using paper furniture templates, cut out pieces that correspond to your checklist and arrange on the floor plan. Attach carefully and neatly.

2. Prepare an inventory of your personal possessions for insurance purposes.

3. Discuss renters' insurance.

Evaluation:

Chapter test covering information in the textbook chapter and the video and including the following questions:

1. What points did you take into consideration when selecting your apartment? Explain.

2. How did you make your furniture choices? Be specific.

3. After arranging the furniture templates on your floor plan, did you make any changes before you chose the final arrangement? Why or why not?

Suggested Length of Activity: 6 days

Suggested Grade Level: 11th and 12th grades

Comments and/or Ideas for Expansion:

The teacher may provide estimated utility costs for the area.

Submitted by:

Margaret Larson
Home Economics Department
Romeoville High School
Valley View District 365U
100 N. Independence Boulevard
Romeoville, IL 60441

Discussion Guide
Video: "Make the Right Move"

1. What is the very first point to consider before renting an apartment?

2. How can one find apartments available locally?

3. What is a good formula to follow when deciding how much rent to pay?

4. Of what value is an apartment checklist when looking for an apartment?

5. What is the major difference between a lease and a rental agreement?

6. List five (5) important questions to ask yourself BEFORE signing a lease.

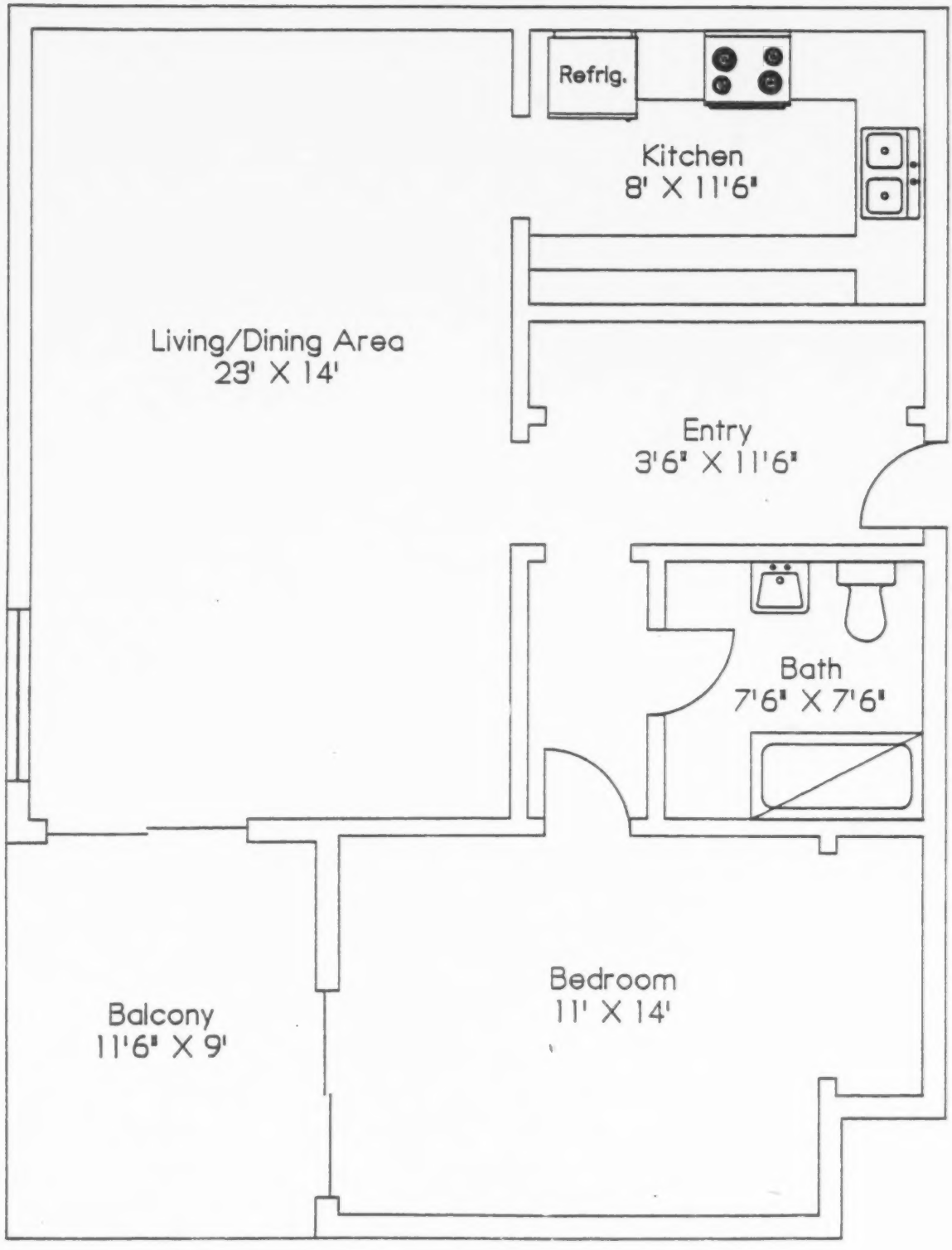
Finding an Apartment Worksheet

A. Select two apartment ads for one-bedroom unfurnished apartments (three rooms with appliances). For each of the ads answer the following:

PLACE ADS HERE ——————>	Apartment 1	Apartment 2
1. What is the rent for this apartment?		
2. What services or facilities are listed as available in the apartment or building?		
3. List the restrictions given in each ad.		
4. Are utilities included? If not, which ones would you need and how much would each cost per month? If none are mentioned specifically in the ad, assume that none are furnished. Unless stated specifically, electricity and phone are not provided even if utilities are furnished. Consider the following as utilities:		
Electricity		
Phone		
Water		
Heat		
5. a. How much would it cost to move into each apartment?		
1. Security deposit (Assume one month's rent unless other)		
2. One month's rent		
3. Phone installation		
4. 6 months' renters' insurance		
5. Furniture selected		
6. Moving expenses		
TOTALS		
b. How much would it cost to live in each apartment per month?		
1. Rent		
2. Utilities		
TOTALS		

B. Which of the two apartments would be best for you and why?

Sample Floor Plan



1/4"=1'-0"

Apartment Plan #1

101

Comparison Shopping Project

Learning Objectives:

Students will:

1. Apply principles of comparison shopping.
2. Use information from *Consumer Reports* to evaluate product quality.

Materials:

Consumer Reports, *Consumer's Digest*, and other magazines that test and rate products.

Student worksheet, "Comparison Shopping Project," and evaluation.

Activities:

1. Students select a product that costs $30 or more and has been rated by *Consumer Reports.*
2. Students select a brand name to purchase based on information gathered on visits to local stores and from magazines that test and rate products.
3. Students write a final report indicating the reasons for their selection. The report also includes a bibliography of resources used to write the report.

Evaluation: Students can earn 200 points (see evaluation).

Suggested Length of Activity: 3 to 4 weeks

Suggested Grade Level: 12th grade

Submitted by:

Wil Farrell
Business Education Department
McHenry High School - West
District 156
4724 W. Crystal Lake Road
McHenry, IL 60050-5498

Comparison Shopping Project

Select one item that generally costs $30 or more and has been rated by *Consumer Reports* or another similar magazine. Prepare a comparison shopping study on your chosen product. A few suggested items you might choose are:

Automobile	Console TV	CB radio
Set of tires for auto	Portable TV	Clock radio
Washing machine	Small electrical appliance	Stereo system
Clothes dryer	Microwave oven	Ski equipment
Refrigerator	Tennis racquet	

STEPS TO FOLLOW IN YOUR PROJECT

1. Identify the product you chose. Include a detailed description of the item (model number, features, size, guarantee, etc.).

2. Prepare a checklist of buying tips to use when shopping for the product. You will find the information needed in magazines, especially *Consumer Reports.*

3. Shop for your item in at least four (4) stores. List the information you find about this product at each store. While at the store, ask the salesperson for a business card and collect as many pamphlets as you can about your product. The store will probably sell more than one brand of your product, so collect information on all brands available.

4. Get the price of each brand name from each store you visit. Include finance charges if you plan to buy on credit. Plan payments for six months unless you are purchasing an expensive item such as an automobile. Include the amount of the down payment, the monthly payment, and any additional charges for buying on credit.

5. Collect as many newspaper and catalog advertisements as you can from stores other than the four you went to. You might find a lower price for your product than you found at the four stores you visited.

6. Summarize the results of *Consumer Reports'* quality tests of the product. List the good and bad features of the makes and models you saw when you made your comparisons at the different stores.

7. Write a final recommendation. Tell what brand you would buy and from which store you would buy it. Give reasons to support your final recommendation.

8. Prepare a bibliography of all the materials you consulted to find the information that helped you to make a wise decision in the purchase of your product.

Comparison Shopping Project Evaluation

NAME _____

		Good	Fair	Poor	Points Possible	Points Earned
1.	Description of product	____	____	____	15	____
2.	Buying tips list	____	____	____	20	____
3.	Visited at least 4 stores	____	____	____	25	____
4.	Description of credit possibilities	____	____	____	15	____
5.	Collection of ads, pamphlets, etc.	____	____	____	15	____
6.	Summarization of *Consumer Reports* or other magazine articles	____	____	____	30	____
7.	Final recommendation	____	____	____	25	____
8.	Appropriate choice of payment method	____	____	____	10	____
9.	Bibliography	____	____	____	20	____
10.	Neatness	____	____	____	25	____
	TOTAL POINTS				200	____
	LETTER GRADE					____

COMMENTS:

80

ROLE OF THE CONSUMER IN THE ECONOMY

Understanding Income Taxes (Federal)

How to Get Action with Your Consumer Complaint

Single Proprietorship to Corporation

Overview of Public Utility Regulation

Labor Unions and the Consumer

Understanding Income Taxes (Federal)

Learning Objective:

Students will understand and complete federal income tax form 1040 EZ.

Materials:

Materials from the resource kit, "Understanding Taxes," including:

Directions for completing form 1040 EZ
1040 EZ form
W-2 form
Tax tables
Overhead transparencies
Videotape, "Income Tax and You"

Your Federal Income Tax for Individuals (Publication 17)

The resource kit, copies of the tax forms in quantity, and Publication 17 are available from:

Taxpayer Education Coordinator
Springfield
Internal Revenue Service
P.O. Box 19201
Springfield, IL 62794-9201
217/492-4386

Taxpayer Education Coordinator
Chicago
Internal Revenue Service
P.O. Box 1193 STOP 32-1
Chicago, IL 60690
312/886-4669

Activities:

Students are guided step-by-step in the completion of a 1040 EZ form.

Evaluation:

After completing a 1040 EZ, students are graded based on how accurately they complete a second form using a different W-2.

Suggested Length of Activity: 2 days

Suggested Grade Level: 10th, 11th, and 12th grades

Submitted by:

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Cooperative Education Department
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How to Get Action with Your Consumer Complaint

Learning Objectives:

Students will:

1. Learn they need not resign themselves to accepting poor-quality goods and services.

2. Realize that a letter of complaint, if correctly written, can often bring a favorable response.

Materials:

Paper and pen to write letters.

References on writing effective complaint letters such as the *Consumer's Resource Handbook* (available from Consumer Information Center, Pueblo, Colorado 81009).

References listing officers in major U.S. corporations such as *Corporate Address Book, Standard & Poor's Register of Corporations, Directors and Executives* (available in your school or community library), and *Consumer's Resource Handbook*.

Activities:

1. Students discuss consumer problems they or their parents have had, what they did (if anything) about the problem, and the outcome.

2. The teacher discusses procedures for registering a complaint and the role of the complaint letter in the process.

3. The teacher discusses how to write an effective complaint letter. Students are introduced to references that contain the names of corporate executives and their addresses. Major points to include in the letter are discussed including a description of the problem, previous experience with the product, what the consumer expects to be done to resolve the problem, and the length of time the consumer is willing to wait for a response.

4. Students select a consumer problem and write a letter of complaint. The teacher should be prepared to help students who have difficulty thinking of something about which to write.

Evaluation:

Letters are checked for content (are all points covered clearly?) and for neatness.

Suggested Length of Activity: One day

Suggested Grade Level: 10th grade

Ideas for Expansion:

Discuss other procedures for redressing consumer complaints such as government agencies, trade associations, small claims court, and others.

If a student has written about an actual problem, send that letter and monitor the response.

Expand the letter-writing activity to include complimentary letters to affirm good products and services.

Submitted by:

Marilyn Cunat
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District #202
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Single Proprietorship to Corporation

Learning Objectives:

Students will:

1. Become cognizant of the ways a business can expand from the smallest to the largest.

2. Gain first-hand knowledge of how three types of business structures operate.

3. Know the advantages and disadvantages of three types of business structures.

Materials:

Consumer education textbook chapter on forms of business organization (single proprietorship, partnership, corporation).

Sample stock certificates (contact local businesses for samples).

Products supplied by students to be sold. The products can be ones made by students or purchased from other sources for resale.

A location where students can sell their products.

Activities:

1. Students read and discuss a textbook chapter that describes the three basic business forms.

2. Students form businesses to sell products to other students after school. Students select the product and make the arrangements for sale of the product. They also decide where they will donate any profits they earn.

3. On the first day, all businesses should be single proprietorships. Students analyze the sales of each business to determine what products sold best. Some competition may result over the location of the businesses.

4. Partnerships should be allowed on succeeding days and, after instruction, corporations should be allowed as well. Maintenance of more than one business is essential to allow buy-outs. Stock sales should only be allowed during a specified time during the day. Some inventive students may want to have a closed corporation. Others may try horizontal and vertical integration.

5. Students calculate the amount of profit made by each business.

6. Allow stock sales and the payment of dividends to stockholders. Stockholders may sell their stocks at a profit or loss.

Evaluation:

Student enthusiasm during the project

Ability of students to carry out the project

Student understanding of the three basic forms of business

Suggested Length of Activity: 3 to 5 days

Suggested Grade Level: 9th through 12th grades

Comments and/or Ideas for Expansion:

This project works well to motivate the sale of products by members of a group.

There are many restrictions on the sale of food items before school or during lunch. Be certain to check with the District Superintendent before planning to sell food items.

The project can be expanded to include the study of labor unions. As the corporations grow in size, division of labor may occur, and some students will be cast as managers and others as laborers. This experience could motivate students to learn about the history of labor unions and the interaction of consumers and labor unions.

Submitted by:

Roger Michalsen
Social Studies Department
Hartsburg-Emden High School
Community Unit School District 21
400 West Front Street
Hartsburg, IL 62643

Overview of Public Utility Regulation

Learning Objectives:

Students will understand the basic economics of regulation of public utilities by the State of Illinois.

Materials:

THE BALANCING ACT available from Center for Regulatory Studies or the Center for Economic Education, Illinois State University, Research Services Building, Normal, IL 61761.

Activities:

Role playing and simulation activities to teach both the economics of public utility regulation and the political process of regulation.

Evaluation:

Evaluation instruments are included with the materials.

Suggested Length of Activity:

Designed for five days (can be modified to two days depending on the level of the class).

Suggested Grade Level: 8th through 12th grades

Submitted by:

Michael M. Litt
Business Education Department
Evanston Township High School
School District #202
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Evanston, IL 60204

Labor Unions and the Consumer

Learning Objectives:

Students will:

1. Become aware of the history of the development of unions and how these developments have affected consumers.

2. Become familiar with union-related vocabulary.

3. Recognize the conflicts they may experience in their roles as consumers and workers.

Materials:

Textbook chapter on labor unions

Teacher resources, "Sources of Information for Teaching about Labor Unions" and "Potential Outline for Teaching about Labor Unions."

Student handout, "Selected Union-Related Vocabulary."

Activities:

1. Lecture and discussion of labor unions using supplemental materials and textbook chapter.

2. Individual students or student groups interview union members outside class. Possible questions for the interview are:

   Why do you belong to a union?
   What are the advantages and disadvantages of membership?
   What does it cost to be a union member?
   Have you ever been on strike? What was it like?
   Would you strike? Are there important strike-related issues?
   Have you ever been an elected official of a labor union?

3. Negotiation simulation.

   a. Each row in the class elects a union representative. Each row prepares a list of their concerns about the classroom/school environment. The list should be issues that students would like to see changed.

b. Union representatives in each row meet to develop a list of 20 to 30 concerns that they would like to negotiate for their members.

c. Union representatives take the list of the issues to "management." The teacher can act as management. With additional time, the school administration could be involved in the process.

d. Management answers each of the demands.

e. Union members respond to management's answers to the demands. At this point, students try to prioritize their demands. The union membership takes a vote to determine the top 10 demands.

f. The revised demands are presented to management and management responds.

g. Union members discuss whether they are willing to strike to achieve their demands.

Evaluation:

Quiz on information presented in lecture and reading

Evaluation of written reports of interviews

Observation of student involvement in negotiation simulation

Suggested Length of Activity: 1 to 5 days

Suggested Grade Level: 9th through 12th grades

Comments and/or Ideas for Expansion:

If time permits, a mediator (another teacher or student) can be involved in the negotiation simulation.

Expand the interview to include individuals in management positions who are involved in negotiations with unions.

Submitted by:

Ron Mason
James B. Conant High School
District 211
700 E. Cougar Ave.
Hoffman Estates, IL 60195

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Sources of Information for Teaching about Labor Unions

Below is a list of potential sources that you could draw upon for information necessary to teach about labor unions in consumer education.

Hughes, R. and J. Kapoor. (1985). *Business.* Houghton Mifflin Co. (Chapter 10, Union-Management Relations).

"The Rise of the American Labor Movement: Toil and Struggle" (the Turning Point Series). (1984). American School Publishers (P.O. Box 408, Hightstown, NJ 08520, 800/843-8855). A two-part sound filmstrip (including two cassettes and a teacher's guide) that discusses the labor movement in the United States.

"Labor Unions: What You Should Know." (1977). Guidance Associates (P.O. Box 3000, Mt. Kisco, NY 10549, 800/431-1242). A two-part sound filmstrip (or filmstrip on VHS video) that introduces young people to unions and the labor relations process.

"The Industrial Revolution in America." (1971). Guidance Associates. A two-part sound filmstrip (or filmstrip on VHS video) with sections devoted to labor union developments.

The American Teacher. American Federation of Teachers bi-monthly publication. Often has articles about unions that could be used in the classroom.

Illinois Union Teacher. Illinois Federation of Teachers bi-monthly publication. Often has articles about unions that could be used in the classroom.

Local newspapers (*Chicago Tribune*, *Chicago Sun-Times*) often have articles that could be used as current events about unions.

Potential Outline for Teaching about Labor Unions

HISTORICAL DEVELOPMENT OF UNIONS

A. Craft Unions--skilled workers in a single craft or trade.

   1. First strike probably by Philadelphia printers who stopped work over demand for higher pay. Disbanded after they were granted higher pay.

B. The Knights of Labor (1869 by Uriah Stephens). First truly national labor union. By 1886, had 700,000 members. Secret society with a major goal to eliminate depersonalization of the worker by the owners.

   1. After the Haymarket Square riot in Chicago in 1886, public lost interest in this group. Rally was called to reduce the work day from 10 hours to 8 hours.

C. The American Federation of Labor. Leaders of the Knights joined with independent craft unions to form the AFL in 1886.

   1. Samuel Gompers (first president of AFL). Goal was to improve members' living standards.

   2. The AFL favored strikes as an effective labor weapon; the Knights did not.

D. The Industrial Workers of the World. Formed in 1905 with goal to overthrow capitalism. This radical stance kept them from growing and made the AFL seem less threatening.

E. The Congress of Industrial Organizations. A break off of some AFL unions to organize unskilled and semi-skilled workers. Unions formed were industrial unions, organizations of both skilled and unskilled workers in a single industry.

F. The AFL-CIO. Merger of these two unions took place in 1955. The merger increased the strength of both unions who had disagreements before over which had the right to organize and represent certain groups of employees.

G. The AFL-CIO. The largest union today with about 13,000,000 members, a small fraction of the work force. Represents actors, barbers, construction workers, retail clerks, musicians, teachers, postal workers, firefighters, police, and newspaper reporters.

Selected Union-Related Vocabulary

Agency shop--Employees do not have to join a union but must pay dues to the union.

Arbitration--A formal hearing where a neutral third party makes a binding decision after hearing both sides of a union-management disagreement.

Closed shop--Workers must join a union before they are hired. Closed shops are now illegal because of the Taft-Hartley Act.

Grievance procedure--A course of action for resolving a union employee complaint against management.

Labor-Management Relations Act (1947)--Also known as the Taft-Hartley Act. Provides a balance between union power and management power. Bars unfair labor practices that unions did use, such as not bargaining in good faith, harassing non-union workers, excessive membership dues. Gives the President of the United States the power to prevent or stop a strike that would endanger the national health or safety.

Landrum-Griffin Act (1959)--Law designed to control internal structure and functioning of unions. Unions must file annual reports with information about finances, elections, and decisions made by union officers. Gives union members the right to vote in union elections; provides safeguards for union money.

Lockout--A business that does not allow union employees to enter the work place.

Maintenance shop--When an employee joins the union, he must remain a union member as long as he is employed by the business.

Mediation--A neutral third party assists the union and management in settling their disagreements.

National Labor Relations Act (1935)--Also known as Wagner Act. Established the way in which employees can decide whether they want to be represented by a union. If they do, management must negotiate with union representatives. Established the National Labor Relations Board to enforce the provisions of the laws.

Norris-LaGuardia Act (1932)--Makes it difficult for businesses to obtain court orders to ban strikes, picketing, or union membership drives; a landmark in labor-management relations.

Seniority--The length of time a person has worked for a business. Usually employees are laid off according to seniority with the most recently hired first to be laid off.

Strike--A work stoppage where union members do not report to work.

Union shop--New employees must join the union after a certain number of days or be fired from the job.

PROJECTS AND ACTIVITIES

Consumer Auction: An Exchange of Ideas

Peer Teaching

Fight Back with Consumer Education! Research Project

Global Grocery List

Consumer Auction: An Exchange of Ideas

Component of the Mandate:

Installment purchasing, budgeting, and comparison of prices.

Learning Objectives:

Students will:

1. Recognize the role of the consumer in the economy and how prices are determined through the interaction of supply and demand.

2. Practice budgeting principles as they allocate the Consumer Dollars they earn.

3. Estimate the value of auction items in order to bid accurately.

Materials:

Items needed for the auction, such as bumper stickers, pens/pencils, mugs, visors/hats, food (soft drinks, cookies), and any items with the school emblem. Donated or free items are usually available.

Activities:

Procedure: Students earn "Consumer Dollars" for the auction. Each teacher can decide how students will earn the dollars; for example, students might earn money through certain daily or weekly assignments or through all assignments in the course. The auction is held at the end of the course.

Students can also request a Consumer Credit Card. The credit card is made of paper with a place for the student's signature on the front. Students who use the card during the auction are charged interest (18 percent). Students are given one week to repay the principle before interest is added to the balance. Students repay their credit card debt through additional assignments--a one-page paper using *Consumer Reports* as the resource for every $10 owed.

Activity: On the day of the auction, the teacher will need to plan the following:

1. Allow the students time to view the items (possibly even a day or two ahead of time).

2. Recruit at least two students from a study hall to act as cashiers and to record the students' purchases.

3. Using a guest auctioneer will free the teacher to do other things. Another teacher, the principal, or even a professional auctioneer might be the guest auctioneer.

4. Students can pool their dollars with other students' money to bid on items. For example, each class pooled their dollars together to be the highest bidder for a box of brownie mix that students were then allowed to bake and eat during classtime.

Evaluation:

Class discussion and/or short essay quiz to allow students to express their own evaluations of the auction. Sample questions include: Did someone over/underbid on an item? Why did certain items draw high bids? Did students use the Consumer Credit Card wisely?

Suggested Length of Activity: One class period

Suggested Grade Level: 12th grade

Comments and/or Ideas for Expansion:

Very few students actually use the Consumer Credit Card and those that do usually pay the bill by doing the additional assignments within the first week to avoid the extra work.

Submitted by:

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Peer Teaching

Learning Objectives:

Students will:

1. Do research and make informed consumer decisions.

2. Organize and present information in a written and an oral report to their peers.

Materials:

Student handouts, "Research Project Critique," "Guidelines for Written Research Project" and "Suggested Teaching Topics."

School, community, county, state, and federal resources.

Activities:

1. Each student selects one component of the consumer marketplace to research.

2. The teacher acts as a resource person and offers guidance in locating community, county, state, and federal resources.

3. The student must contact these resources, compare available options, and collect written materials. Many resource people in the area look forward to this time and opportunity to work with the students.

4. When information and/or materials have been gathered, the students develop a presentation accompanied by a written paper.

5. Each student is given a class date to share his/her information.

Evaluation:

Students can earn up to 200 points--100 points for the written report and 100 points for the oral report (see evaluation). In addition, students earn points by evaluating the presentations of other students. Students evaluate the specific information presented (the basic message, key concepts, etc.), not the presenters. The student evaluations do not in any way affect the presenter's grade. Students can earn enough points from evaluations to raise his/her average by a letter grade.

Suggested Length of Activity:

1 to 2 class days to introduce project

2 weeks for research (in and out of classroom)

1 class day per student for presentation

Suggested Grade Level: 11th and 12th grades

Comments and/or Ideas for Expansion:

This is a difficult assignment for many students. However, students take pride in themselves and their presentations. The presentation and paper require a great deal of time and effort for both the student and the teacher. Overall, the students do a great job and their peer-teaching experience is a true learning experience.

Submitted by:

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Research Project Critique

Number of Points Possible		Number of Points Earned	
			Written Report
50		_____	Time and effort involved: Evidence that research was conducted: 5 sources; sufficient time and study given to topic; working outline; note cards; 5 to 10 typed pages.
25		_____	Use of English, research principles: Proper grammar, punctuation, spelling, sentence structure, paragraphing, footnoting, etc.; well-organized format; neat and legible.
25		_____	Interest: Relevant to everyday problems of living; primary focus on management of resources.
			Oral Presentation
30		_____	Time and effort involved in planning: Evident that presentation was planned; outline; basic information summarized well; main ideas presented in interesting format.
20		_____	Time allotted to class presentation: Sufficient time given to adequately report research findings (45 minutes approximately).
25		_____	Relevancy of oral presentation: Information reported useful to class members; accurate account of report findings.
25		_____	Basic Speech Communication: Establish aims of presentation; clear developmental material; language plain and appropriate; summarize important concepts.
200	Total	_____	180 - 200 = A 160 - 179 = B 140 - 159 = C 120 - 139 = D Below 120 = F

Guidelines for Written Research Project

The report is to be five to ten typed double-spaced pages. Report should include a cover page and a bibliography (at least 5 different sources). Include any handouts you will be using in the oral presentation. The report is due on the scheduled date of your presentation.

Topic must be cleared by the instructor prior to beginning.

Use the following outline to help you collect information.

PROPER PROCEDURE FOR TAKING RESEARCH NOTES

I. Make a List of All Possible Sources

- A. Categorize by type (books, magazines, experts, television, etc.)
- B. Record all necessary information for bibliography.
- C. Record as much information as possible.

II. Locate Sources and Check Out Appropriately

III. Record Notes

- A. Use 3 x 5 or 4 x 6 notecards
- B. Prepare to take down more information than is needed
- C. Establish a consistent system
- D. Use a general heading on each card
  1. Place on top line
  2. May use the same heading for material from various sources
- E. Record information
  1. Facts
  2. Statistics
  3. Stories

4. Examples

5. Quotations

F. Write notes

1. Easily understood at a later date

2. Best to record one idea per card

G. Bibliographical information

Suggested Teaching Topics

BUDGETING

- Report the average annual salaries of at least ten occupations.
- Compare costs of community college, four-year college, trade school.
- Report on the costs of marriage.
- Talk with a funeral director about the costs and procedures of funerals.

SAVINGS/CREDIT

- Prepare an exhibit of materials collected from banks for customer services.
- Compare at least three different stores' installment credit contracts.
- Compare the advantages and disadvantages of various savings institutions.
- Obtain copies of an application for a charge account; explain.
- Compare interest rates from various types of savings institutions for personal, auto, home loans.
- Prepare a fact sheet showing various types of retail credit, how each might be used by the family, and the effect on the family's financial plan.

RECREATION

- Compare the various ways to travel on vacation.
- Compare the performances of domestic and foreign compacts.
- Choose a leisure-time activity; compare the time and money required for that activity for one year.
- Talk with a travel agent about tours, their accommodations, costs, etc.
- Report on the costs of an average one-week vacation.

PROFESSIONAL SERVICES

- Illustrate how to fill out the Illinois State Income Tax form.
- Discuss fees for the services of a lawyer.
- Prepare a consumer fact sheet with information needed to prepare a will.

INSURANCE

- Study a health insurance policy; compare what costs the insurance covers for a stay in the hospital.
- Talk with an insurance agent about the cost of car insurance for a teen.
- Price the different types of insurance a family might have; contact at least three different insurance agents.
- Choose a life insurance policy for yourself. Discuss it with three different agents and compare coverages and prices.
- Talk to different life insurance agents about the need for life insurance for a teenager.
- Visit a Social Security office and report on the benefits of Social Security.

FOOD

- Compare at least three brands of the same product.
- Analyze the benefits of gardening.

HOUSING

- Analyze the costs and benefits of the various types of housing available in a local community.
- Visit the tax collector (courthouse) and report on how homes and trailers are assessed.
- Compare the costs of modernizing an older home with the costs of building one.
- Study real estate for-sale ads; compile and study features listed most often.
- Price three rooms of furniture at various stores; compare quality, etc.

CLOTHING

- Compare the costs of making versus buying clothing.
- Illustrate clothing style changes over a period of years; compare prices then and now.
- Describe the information found on clothing labels.

TRANSPORTATION

- Compare the advantages, disadvantages, and costs of using the various forms of transportation in a city of your choice.
- Contrast the cost of tune-ups at different shops and what they include.
- Analyze the total cost of owning and operating a car for one year.
- Describe ways to keep your car in good condition.
- Describe the steps in buying a used car.
- Describe the steps in buying a new car.

Fight Back With Consumer Education! Research Project

Learning Objectives:

Students will:

1. Become a "Consumer Expert" for the day on a topic of interest to them.
2. Research consumer information through a variety of resources.
3. Develop more in-depth knowledge of consumer rights and responsibilities.
4. Generate creative student projects and displays for Consumer Education.

Materials:

Student handouts, "Project Directions," "List of Approved Topics," and "Suggestions for Choosing a Topic."

Activities:

1. Teacher explains the project and students select a topic.
2. Students work two (2) days in the library to research the project.
3. Students complete the project outside the classroom.
4. Students complete research paper and give oral presentation to class.

Evaluation:

Students are evaluated based on their oral presentation and written report.

Suggested Length of Activity:

Introductory research in the library - 2 days; research and preparation outside the classroom - 3 to 4 weeks; oral presentations - 3 to 5 class days (depending on class size).

Suggested Grade Level: 11th and 12th grades

Submitted by:

Darlene Kabat
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Oak Park and River Forest High School
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FIGHT BACK with CONSUMER EDUCATION! Research

"Don't Let Anyone Rip You Off!" (David Horowicz)

"An Educated Consumer Makes the Best Customer" (Symm's Store Motto) "Be Aware and Informed

Project Directions

1. Become a Consumer Expert for the day on a topic related to Consumer Education that interests YOU!

2. Prepare a 3 to 5 page research report with information you have researched on an approved topic. Include a list of resources.

   Great resources would include all library materials (books, current events, magazines, audio-visuals), your experiences, your job, an interview with an expert in the field, etc.

3. On _____(Due Date)_____ plan to share your consumer information with the class by:

   1) summarizing your findings,

   2) including your consumer tip(s), and

   3) explaining why this information would be important to consumers.

   Your presentation should be made in an interesting and informative way.

4. Props, audio-visuals, examples, etc., are encouraged!

5. Report Should Include:

   1. Research Information

   2. List of Resources

   Oral Presentation Should Include:

   1. Sharing of Report, Summary of Findings

   2. Props, Audio-Visuals, Examples, Demonstrations

   3. Question & Answer/Discussion Period

Fight Back with Consumer Education!
Research Project
List of Approved Topics

THE CONSUMER

Rights and Responsibilities

Economy

Supply/Demand

Free-Enterprise System

Consumer Decision Making

Goals/Values

Consumer Roles

BUDGETING

Plans

Resources

Choices

Management

FOODS

Nutrients

Labeling

Diets

Grocery Shopping

Food Safety

Price Comparison

Fast Food Eating

Basic Four Food Groups

CLOTHING

Wardrobe Planning

Fabrics/Fibers

Laundry

Dry Cleaning

Care Labels

Color/Line/Design

Men's Clothing

Second-Hand Clothing

Image

HOUSING

Owning vs. Renting

Rental Advertisements

Apartment Checklist

Choosing Roommates

Signing a Lease

Energy Appliance

Buying a Home

Furniture

Setting Up Your First Apartment

etc., etc.

Fight Back with Consumer Education!
Research Project
Suggestions for Choosing a Topic

How to Pick a Topic

Choose a topic that interests you.
Choose a topic that will be useful to you.
Choose a topic you always wanted to know something more about.
Pick a less general topic. Be more specific!
Use your family, personal or job experiences to add to the report.

Examples of Past Student Work (Suggestions Only)

* Video: "Lifestyles of the Not-So-Rich & Famous" (Second-hand clothing, shopping, fashions, price comparisons)

* Game: "Balanced" (Developed to start off a healthy new day and keep it that way. Exercise, diet choices, stress activities were created in this OPRF personalized game.)

* Bulletin Board: "A Closet Full of Clothes and Nothing to Wear?" (Wardrobe planning and budgeting)

* Video: "And This Little Piggy Went to the Market" (Five grocery store types available to consumers, comparison of features, price, variety, and services)

* Poster: "How to Eat Healthy on a Fast Food Diet" (Comparison of food additives and nutrient content of fast food restaurant diets)

* Student working at Jewel demonstrated what a consumer can expect from the parceler in both plastic and brown bagging foods. Student demonstrated by bringing in foods commonly purchased.

* Student poster and demonstration about dry cleaning. (A student who worked at a local dry cleaner informed consumers of their rights and responsibilities when consumers choose to dry clean their clothes and what recourse consumers have when clothes are damaged at the cleaners. Stain removal was also demonstrated.)

Global Grocery List

Learning Objectives:

Students will:

1. Compare prices for an established list of items at two or more local retail establishments.

2. Compare prices in different parts of the country for food, gasoline, entertainment, and apartment rentals and compare beginning wages for typical teenage entry-level jobs.

Materials:

Student worksheet, "Global Grocery List."

Computer, modem, and telephone line to access the computer bulletin board FrEdMail. (For more information about FrEdMail, contact Jim Levin, Associate Professor, Educational Psychology, University of Illinois at Urbana-Champaign, 210 Education Building, 1310 South Sixth Street, Champaign, IL 61820, 217/244-0537). The Global Grocery List project can be downloaded to the teacher's computer through the FrEdMail bulletin board.

If there is no access to computer equipment, the teacher can use directories of professional associations (such as the Illinois Business Education Association and Illinois Consumer Education Association) to contact teachers in different parts of the state. Members of the National Business Education Association/North Central Business Education Association can also network through these associations. These contacts could then be used to implement the project through the mail.

A way to illustrate the information acquired through this project will also be needed. The information could be placed on posters, overhead transparencies, or computer-generated spreadsheets.

Activities:

1. The teacher or the students contact other classrooms through the computer network or through the mail to initiate the project.

2. Goods and services to be priced are listed. (See the student worksheet, "Global Grocery List," for examples.) The list accessed through the FrEdMail project includes 14 food items and unleaded premium gasoline.

3. Students identify at which local stores, apartments, etc. they will obtain local prices.

4. Students are assigned responsibilities. Some students may collect prices, while others may prepare the information for display or communication to other classrooms. The amount and type of activity assigned to each student depends on the age of the students, the number of students, and the number of local prices to be obtained.

5. The shoppers are given an assigned time (such as a week) in which to obtain prices. To make the comparison of prices more accurate, students should be given brand names, quantities, and specifications of products (for example, Green Giant corn, 16 ounce can; Grade A Large eggs, etc.)

6. The students who are responsible for preparing display materials are given a week or so to prepare their work.

7. Information is sent to other participating classrooms. Classrooms that participate in the project through the FrEdMail network may receive information from ten or more other classrooms, including some in other countries.

8. Information received from other participating classrooms is added to the data base of information from the local community.

9. After all research is completed, the class discusses the differences in prices between different stores in the local community as well as the differences in prices in other locations. Reasons for the differences are analyzed.

Evaluation:

One of the following short-answer questions may be used in a formal evaluation:

1. Prices vary from place to place--even within the local community. List two reasons why this happens.

2. There are many factors that influence prices of goods and services in a particular area. List two of them and support your choices.

Other evaluation items include:

1. Students compute the percent differences in prices between cities.

2. Each student receives $25 and a shopping list. The student is to choose a city in which to select the items on the shopping list with the goal of spending the least money.

3. Students research the regions in which the other classrooms are located. A panel discussion follows in which students discuss questions such as:

   - Does the origin of an item influence its price?
   - Are there political reasons for differences in price?
   - Have there been recent events that have influenced the price of an item?

Suggested Length of Activity:

This may be an ongoing project with no scheduled start date or deadline for ending. However, if input from other classrooms is involved, the project will likely take at least a month to receive input from other locations.

Suggested Grade Level:

Almost any age group could complete this activity. Students from the sixth to the twelfth grades are participating in the Global Grocery List project through the FrEdMail network.

Submitted by:

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Project Developed by:

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GLOBAL GROCERY LIST

Teacher's Name:
Class Grade:
City/State or Nation:
Date:
Currency:

Item	Quantity	Price (Store 1)	Price (Store 2)
Hamburger	1 pound		
Rice	1 pound		
Oranges	1 pound		
Sugar	5 pounds		
All Purpose Flour	5 pounds		
Whole Milk	1 gallon		
Chocolate	1 pound		
Potatoes	5 pounds		
Butter	1 pound		
Corn	1-16 oz. can		
Peanut Butter	1-12 oz. jar		
Coffee	1 pound		
Whole Chicken	1 pound		
Eggs	1 dozen		
Premium unleaded gas	1 gallon		
Movie	1 adult		
Apartment rental	1 bedroom		
Apartment rental	2 bedroom		
Wages (McDonalds)	per hour		
Wages (grocery)	per hour		
Wages (sales)	per hour		

Acknowledgements

Advisory Committee

Acknowledgements

Advisory Committee

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Bloom Trail High School

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Bradford High School

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Bushnell-Prairie City High School

Judith Decker
Cumberland High School - Toledo

Agnes Gaspardo and Christine Siudzinski
East Leyden High School

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Victor Nelson
Hamilton High School

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Heritage High School - Broadlands

Mary Opfer
Huntley High School

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Joliet Central High School

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Normal Community High School

Tom McCoy and Joan Kotas
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Carolyn Purgraski
Bay City, MI

27-12.1 Consumer Education

§ 27-12.1. Consumer education. (a) Subject to the provisions of subsection (b) of this Section, pupils in the public schools in grades 9 through 12 shall be taught and be required to study courses which include instruction in the area of consumer education, including but not necessarily limited to installment purchasing, budgeting, comparison of prices and an understanding of the roles of consumers interacting with agriculture, business, labor unions and government in formulating and achieving the goals of the mixed free enterprise system. The State Board of Education shall devise or approve the consumer education curriculum for grades 9 through 12 and specify the minimum amount of instruction to be devoted thereto.

(b) Prior to the commencement of the 1986-1987 school year and prior to the commencement of each school year thereafter, the State Board of Education shall devise, develop and furnish to each school district within the State a uniform Annual Consumer Education Proficiency Test to be administered by each school district to those pupils of the district in grades 9 through 12 who elect to take the test more than once in any school year. Each year the State Board of Education shall by rule prescribe the date or dates during the school year on which school districts shall administer the test devised and developed for that school year, together with the uniform standards which all districts shall apply in scoring that test. The test shall be devised and developed by the State Board of Education each year in a standardized manner to allow any pupil who takes the same and who achieves a score thereon which is not less than the minimum score established by the State Board of Education for the test so taken to thereby demonstrate sufficient proficiency in the area of consumer education as shall excuse such pupil from the necessity of receiving, as a prerequisite to graduation from high school and receipt of a high school diploma, the minimum amount of instruction in a consumer education curriculum otherwise required by subsection (a) and the rules or regulations promulgated thereunder. For purposes of this subsection, "proficiency" is defined to mean that a pupil is competent in and has a well advanced knowledge of consumer education so that study of the course of instruction required by this Section would not be substantially educational beneficial as determined by the State Board of Education when developing the uniform standards and minimum score requirements of this Section.

Amended by P.A. 86-300, § 1, eff. Jan. 1, 1990.

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